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Letter dated 26 January 2004 from the Permanent Observer of the League of Arab States to the United Nations addressed to the President of the Security Council

In accordance with Article 54 of the Charter of the United Nations, and with reference to the second meeting of the Arab Specialized Organizations and Financial Institutions on Assisting Iraq, held on 6 January 2004 in Amman, Jordan, please find attached herewith a summary of the proposals and projects presented by the Arab organizations and funds, and the conclusions of the aforementioned meeting (see annexes).

I request that the present letter and its annexes be circulated as a document of the Security Council.

(*Signed*) Yahya **Mahmassani**
Ambassador

04-32892 (E) 140904

Annex I to the letter dated 26 January 2004 from the Permanent Observer of the League of Arab States to the United Nations addressed to the President of the Security Council

League of Arab States
General Secretariat

Report of the General Secretariat on the second meeting of the Joint Arab Action group in support of the Iraqi people
(Amman, Jordan, 6 January 2004)

Summary of the report on the second meeting of the Joint Arab Action group in support of the Iraqi people
(Amman, Jordan, 6 January 2004)

- Mr. Amre Moussa, Secretary-General of the League of Arab States, convened the second meeting of the Joint Arab Action group in support of the Iraqi people, which was hosted by the Arab Academy for Banking and Financial Sciences (AABFS) in Amman, Jordan, on 6 January 2004. The meeting was opened by the Secretary-General and had one item on its agenda, namely the role of the Joint Arab Action group in support of the Iraqi people. The Secretary-General affirmed the importance of the Arab effort in supporting the Iraqi people in all areas of politics, humanitarian affairs and development, as well as in contributing effectively to the reconstruction and practising tangible Arab solidarity in order to assist Iraq in its return to sovereignty and help Iraqis to assume responsibility for managing their own affairs and ending the occupation on the basis of a set timetable.

- Representatives of Arab States, organizations, funds and financial institutions (25 Arab organizations and institutions) participated in the meeting, along with representatives of the United Nations, the World Bank, the International Monetary Fund (IMF), the Saudi Fund for Development (SFD) and the Union of Arab Investors (UAI) (the list of participants is appended hereto).

- The General Secretariat of the League of Arab States received proposals from 17 organizations and funds included among the joint Arab action institutions.

- The Minister of Planning and International Cooperation of the Hashemite Kingdom of Jordan, Dr. Basim Awadallah, gave a presentation setting out the prospective Arab role in the reconstruction of Iraq, including the objectives sought with a view to speeding up the renovation process, Jordan's role in that process and proposals in connection with the role of Arab States in the reconstruction of Iraq (a summary of the Jordanian presentation is appended hereto).

- The head of the Iraqi delegation, Ambassador Nasir al-Samara'i, gave an address on behalf of the Iraqi Ministry of Foreign Affairs in which he thanked the Secretary-General for the efforts made by the League of Arab States and its organizations in favour of Iraq and its people. He also thanked the Kingdom of Saudi Arabia, the United Arab Emirates, the State of Kuwait and the

Hashemite Kingdom of Jordan for their support and assistance to Iraq. He further expressed his appreciation to the League of Arab States for its initiative to dispatch a delegation to Iraq.

- Ambassador Ahmad bin Hali, Assistant Secretary-General, reported on the outcomes of the mission undertaken by the delegation from the League of Arab States, focusing on the importance of activating the role of Arab organizations and institutions in the process of reconstructing Iraq in conjunction with the concerned Iraqi and international authorities. He also urged the preparation of a conference for investors and the private sector in the interest of contributing to the support for Iraq and its reconstruction.

- Arab financial organizations and institutions presented their proposals and projects in the context of support for the Iraqi people and the reconstruction of Iraq.

- Representatives of the United Nations, the World Bank and IMF presented their proposals in connection with the reconstruction in Iraq, emphasizing the importance of coordination and cooperation in that regard with the League of Arab States and the organizations and institutions attached to it.

- The meeting produced recommendations affirming the importance of effective participation in the international efforts to assist Iraq and of the establishment of a mechanism for coordination among Arab organizations and institutions, as well as a mechanism for cooperation and coordination comprising the Iraqi, Arab and international actors involved in the reconstruction (the recommendations are appended hereto).

Main outcomes of the meeting

- The participants expressed full solidarity with Iraq and, through the recommendations produced by the meeting, affirmed the importance of effective participation in the international efforts to assist Iraq in conjunction with the international organizations concerned, establish a mechanism for coordination among Arab institutions and organizations and a mechanism for cooperation and coordination comprising the Iraqi, Arab and international actors involved in the reconstruction in Iraq.

- The participating international organizations emphasized that it was important for the League of Arab States and the organizations and institutions attached to it to perform an effective role in the Iraq reconstruction process. They also expressed their readiness to coordinate and cooperate with the Iraqi side in that connection.

- The Islamic Development Bank (IDB) announced the allocation of US$ 500 million to fund projects in the sectors of education, vocational training, health, water, sanitation, agriculture, food security and electricity, as well as projects designed to build exports and imports of essential and productive goods.

- The Hashemite Kingdom of Jordan announced the establishment of an Iraqi investment company with a capital of US$ 50 million.

- SFD highlighted the contribution announced by the Kingdom of Saudi Arabia at the Madrid Conference, estimated at approximately US$ 1 billion, to fund

development projects through SFD in the fields of education, health and infrastructure, as well as to finance and secure Iraqi exports through SFD development programmes.

- The Arab Authority for Agricultural Investment and Development (AAAID) announced the allocation of US$ 20 million for the rehabilitation of one of its companies in Iraq. It also expressed its firm intention to send a mission to Iraq in search of new investment opportunities and stated that it was ready to provide technical support to any projects relating to Iraq's agricultural sector.

- The representative of the World Bank at the meeting underlined the sum announced at the International Donors Conference for the Reconstruction of Iraq, held in Madrid on 1 October 2003, amounting to between US$ 3.5 billion and US$ 5 billion over five years in the form of loans and soft loans.

- The IMF representative underlined the contribution proposed by IMF at the Madrid Conference, amounting to between US$ 2.5 million and US$ 4.25 million in the form of loans over three years.

- A number of Arab organizations and funds[1] emphasized their willingness to provide technical assistance and contribute to the preparation of retraining programmes for Iraq's human resources. Some organizations also offered projects for the rehabilitation of Iraq's vital sectors. Arab States and financial institutions, however, will be required to provide material support for the implementation of these projects and programmes.

- A number of joint Arab action institutions expressed their firm intention to send delegations and missions to Iraq in order to explore ways of contributing to the assistance and assuming an effective role in the process of Iraq's reconstruction, namely CAEU (CAEU), AABFS, the Arab League Educational, Cultural and Scientific Organization (ALECSO), the Arab Civil Aviation Commission (ACAC), the Inter-Arab Investment Guarantee Corporation (IAIGC), which sent a member of its technical apparatus to represent it in Baghdad and monitor economic developments in Iraq, and the Arab Organization for Agricultural Development (AOAD), which also sent a technical delegation to Iraq.

- The representative of the Council of Arab Ministers of the Interior at the meeting stated that, at its twenty-first session held in Tunis on 5 January 2004, the Council adopted resolution No. 425 on support for the Ministry of the Interior in Iraq.

- The joint Arab action institutions affirmed their welcome of cooperation and coordination with the international organizations involved in Iraq's reconstruction and of coordination with the competent authorities in Iraq through the League of Arab States.

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[1] CAEU, the Organization of Arab Petroleum Exporting Countries (OAPEC), the Arab Administrative Development Organization (ARADO), the Arab States Broadcasting Union (ASBU), ALECSO, the Arab Centre for the Studies of Arid Zones and Dry Lands (ACSAD), the Arab Labour Organization (ALO), AOAD, the Arab Atomic Energy Agency (AAEA), the Arab Industrial Development and Mining Organization (AIDMO), ACAC, the General Arab Insurance Federation (GAIF), the Union of Arab Banks (UAB), UAI and AABFS.

- The Arab Fund for Economic and Social Development (AFESD) stated that it would resume its activity in Iraq, which had ceased in 1990, and that it would finance government and private sector projects in accordance with the priorities to be determined by the Iraqi authorities. AFESD will focus its priorities on projects for drinking water, electricity, health, education and infrastructure.

- The participants emphasized the importance of an essential role for the Arab private sector and Arab NGOs in the process of Iraq's reconstruction.

- The representative of the State of Qatar at the meeting underlined the contribution, amounting to US$ 1 million, which his country had offered at the Madrid Conference, as well as the announcement concerning the establishment of an international fund in support of education in Iraq, in cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO), to which Qatar had donated the sum of US$ 15 million.

- The president of the Union of Iraqi Investors, which participated in the meeting in cooperation with the UAI delegation, delivered an address in which he expressed his gratitude and appreciation for the efforts of the League of Arab States to assist the Iraqi people during all periods, with particular reference to the mission which it had sent to Iraq. He also stated that Iraqi investors had made their own efforts to establish an Iraqi bank with a capital of 10 billion Iraqi dinars. They had also obtained approval to establish a foreign bank with a capital of US$ 25 million. He called on officials in funding institutions and organizations to open dialogue with Iraqi investors concerning the possibility of cooperation in order to build and reconstruct Iraq.

Proposals submitted by various States and organizations

- The representative of the State of Qatar, the Vice-Minister for Foreign Affairs, emphasized the need for coordination among the organizations for joint action and the competent Iraqi authorities with a view to determining priorities. He also emphasized the importance of cooperation with the United Nations and international organizations in order to avoid any overlap between the Arab and international projects being implemented and also proposed the elaboration of a mechanism for coordination among the institutions and organizations for joint Arab action.

- Dr. Ahmad al-Juwayli, Secretary-General of the Council for Economic Unity, suggested that benefit could be gained from the experience of the Sudan and that a coordination unit and an Arab fund for the reconstruction of Iraq should be established.

- The AAEA Director-General proposed that Arab organizations should be used as centres of expertise for the implementation of projects.

- The ACSAD representative raised the possibility of opening an office of the League of Arab States in Iraq for the purpose of coordinating with the competent Iraqi institutions and reporting to Arab organizations on the latest developments in Iraq. He also called on Arab States and on Arab and international funding institutions to support the efforts of the joint Arab action institutions in the reconstruction of Iraq.

Report on the second meeting of the Joint Arab Action group in support of the Iraqi people (Amman, Jordan, 6 January 2004)

I. Introduction

- The League of Arab States is following all the developments taking place in Iraq with great interest and is endeavouring to provide support and assistance to the Iraqi people so that they can overcome the difficulties facing them and achieve a better future. In that context, the League of Arab States organized a meeting of all specialized Arab organizations in April 2003 at which the fallout from the war against Iraq was examined, together with Iraq's requirements in the immediate future. An initial idea of the contribution which these organizations can make in supporting and assisting Iraq was put together and a report on the subject was submitted to the United Nations.

- In accordance with resolution No. 6352 of the Council of Arab Ministers for Foreign Affairs, dated 9 September 2003, concerning developments in the situation in Iraq, which called for "the provision of support and assistance to the Iraqi people in their efforts to overcome their difficulties and reconstruct the country in order to achieve a better future for Iraq", the League of Arab States participated in the International Donors Conference held in Madrid in October 2003 and produced a report on the main outcomes of the Conference, which it distributed to Arab States and joint Arab action institutions.

- The League of Arab States also sent a delegation from the General Secretariat to Iraq in order to establish contacts with all groups of the Iraqi people, from north to south. The delegation met political party leaders, some from the Governing Council and others not, as well as tribal and religious leaders and representatives of federations and non-governmental organizations (NGOs), and obtained a first-hand account of the events taking place in Iraq. The delegation became aware of the extent to which Iraqis are suffering as a result of the lack of essential services and the worsening infrastructure in the sectors of electricity, communications and water in particular.

- Complementing these efforts, Mr. Amr Moussa, Secretary-General of the League of Arab States, convened the second meeting of the Joint Arab Action group in support of the Iraqi people, which was hosted by AABFS in Amman, Jordan, on 6 January 2004. The meeting was opened by the Secretary-General and had one item on its agenda, namely the role of the Joint Arab Action group in support of the Iraqi people. The Secretary-General affirmed the importance of the Arab effort in supporting the Iraqi people in all areas of politics, humanitarian affairs and development, as well as in contributing effectively to the reconstruction and practising tangible Arab solidarity in order to assist Iraq in its return to sovereignty and help Iraqis to assume responsibility for managing their own affairs and ending the occupation on the basis of a set timetable.

- Representatives of Arab States, organizations, funds and financial institutions (25 Arab organizations and institutions) participated in the meeting, along with representatives of the United Nations, the World Bank, IMF, SFD and UAI (the list of participants is appended hereto).

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- The meeting produced recommendations affirming the importance of effective participatg25ion in the international efforts to assist Iraq and of the establishment of a mechanism for coordination among Arab organizations and institutions, as well as a mechanism for cooperation and coordination comprising the Iraqi, Arab and international actors involved in the reconstruction (the recommendations are appended hereto).

II. Proposals of the Joint Arab Action group

1. CAEU

- CAEU proposed a workshop to activate and coordinate the role of specialized Arab organizations and specific unions in the reconstruction of Iraq. It also proposed that preparations should be made to convene a conference of Arab investors in order to explore what Arab States, together with regional and Arab investment funds and financial institutions, are able offer in the context of the reconstruction of Iraq.

- It also proposed a plan consisting of four main areas of focus: the economic rehabilitation of Iraq, retraining for managerial personnel, the provision of humanitarian assistance through specialized Arab unions and promotion of the investment projects determined by the Iraqi Government, a list of which was sent to the Council.

2. OAPEC

- OAPEC proposed to contribute by providing information and data, preparing studies on the petroleum industry and delivering assistance through OAPEC subsidiaries, including the Arab Maritime Petroleum Transport Company, the Arab Shipbuilding and Repair Yard Company, the Arab Petroleum Investments Corporation and the Arab Petroleum Services Company, in addition to providing training at the Arab Petroleum Training Institute, which was established in Iraq by OAPEC, for technical and administrative personnel working in the petroleum industry.

3. ARADO

- ARADO put together a two-phase plan: a first phase for 2004 comprising assistance in the capacity-building of local and national institutions and a second phase for the period 2005-2007 comprising support for local and national institutions and the promotion of civil-society institutions.

4. ASBU

- ASBU expressed its readiness to provide the Iraqi broadcasting services with a variety of programme and other materials for radio and television. It also offered to train those working in radio and television, as well as supply the engineering specifications needed to set up satellite television stations.

5. ALECSO

- To assist in the revitalization of the National Educational, Cultural and Scientific Commission and in ensuring that it is linked to the ALECSO website;

- To assist in the restructuring of the educational system in Iraq, the rehabilitation of educational institutions and the training of teachers and others employed in education, as well as in the refurbishment of university libraries;

- To assist in the loss assessment of historical monuments and antiquities, provide experts to help with the inventory of missing archaeological items and organize training courses in conjunction with the International Centre for the Study and Preservation and Restoration of Cultural Property (ICCROM) in Rome.

6. ACSAD

- ACSAD expressed its readiness to take part in various activities within its areas of competence in accordance with the priorities and proposals determined by the Iraqi side, particularly in the sectors of agriculture and water. It also proposed a number of projects and specified their financial cost.

7. ALO

- ALO submitted proposals for the revitalization of vocational institutes and of centres and institutes for the rehabilitation of disabled persons, as well as proposals for the establishment of a data and information centre aimed at finding remedies to the critical unemployment problem and for the delivery of training courses to those employed in labour management and organization. It estimated the total cost of these projects at approximately US$ 3.9 million and pointed out the lack of any financial provision for such projects in ALO's approved budget.

8. AOAD

- AOAD proposed to send a technical mission of its experts to gather information on the extent of damage suffered in those areas in which it is able to provide technical and material support, in conjunction with the League of Arab States and similar regional and international organizations, the aim being to formulate medium- and long-term programmes in the areas where support is needed.

9. AAEA

- AAEA presented proposals on the activities in which it could assist in Iraq in the field of radiation protection, nuclear safety, the general health of the environment and the peaceful applications of atomic energy.

10. AIDMO

- AIDMO submitted proposals for the implementation of 12 industrial and mining projects at an estimated cost of US$ 2.5 million, to be financed by donors to Iraq.

11. ACAC

- ACAC expressed its readiness to provide expertise and technical assistance in order to contribute to rehabilitation of the Iraqi civil aviation sector. It also expressed its firm intention to form a specialized task force on air transport, air shipping and aviation security and dispatch it to Iraq in order to evaluate the civil aviation sector and put together the programmes needed for its rehabilitation, in conjunction with the Iraqi authorities concerned.

12. GAIF

- GAIF expressed its readiness to provide technical assistance and expertise, with the support of all Arab insurance markets, in order to restructure the insurance sector and prepare training programmes for those employed in the sector. It mentioned the measures already in place, including the exemption of Iraqi insurance companies from fees for attendance at GAIF-organized conferences and seminars, from related travel and accommodation costs and from GAIF membership subscription fees.

13. UAB

- UAB presented its views on support for the financial, banking and economic sector in Iraq through the provision of technical and technological assistance, research services and support for openness to the Arab financial community, as well as through participation in the task of enhancing the image of Iraq and

its banking sector and in guaranteeing the participation of Arab banks in the reconstruction of Iraq.

14. UAI

- The Union prepared a working paper comprising essential information on Iraq, the challenges facing Iraq and the role of the Union in providing immediate assistance to Iraq through promotional activities designed to attract investments to Iraq and encourage the private sector to enter the Iraqi market, particularly in the fields of contracting, construction and renovation, educational, investment and computing services, professional services, financial and banking services and communications, focusing special priority on the development of Iraq's human resources.

15. Arab Monetary Fund (AMF)

- AMF declared its aim of resuming its loan activity in Iraq, as well as its readiness to contribute to the development of institutional structures in the economic and financial sectors and put together training programmes to improve and enhance the competence of Iraqi managerial personnel. AMF also mentioned a training course to be organized in March 2005 for some 30 Iraqi employees, in conjunction with IMF, and the credit facilities which Arab Trade Financing Programme (ATFP) could provide to Iraq.

16. IAIGC

- IAIGC stated that it was in the process of signing an agreement with the Iraqi Bank of Commerce to enable exports from Arab States to compete for supply of the imports needed by Iraq. It called on Arab States to promote their exports along the same lines as the group of industrial countries so that they did not end up on the outside of trade with Iraq.

17. AABFS

- AABFS stated that it had already begun work in Iraq, in conjunction with the competent authorities, to train a group of employees in the Iraqi banking sector (in the Rafidain and Rashid Banks) as part of a full training project for that sector. AAFBS is also in the process of establishing a branch in Baghdad that will comprise a college of banking and financial sciences, as well as a training institute, a financial and banking investment centre and two approved financial and banking centres.

- AABFS is also in the process of preparing a series of studies on the currency issuance system and on the banking systems.

III. Inputs of participating international organizations

1. The World Bank

In his intervention, the representative of the World Bank stated as follows:

- The United Nations/World Bank Joint Needs Assessment was speedily produced under difficult circumstances and is seen as a phased study that should culminate in an Iraqi national strategy articulating the will and priorities of the Iraqi people.

- The description of the functions of the International Reconstruction Fund Facility for Iraq is complete and progress has been achieved in coordinating among donors and giving concrete shape to action plans for the next six or nine months.

- The Bank is preparing to implement programmes for capacity-building, training and technical investment assistance, as well as emergency intervention projects in infrastructure and essential services and projects to rehabilitate schools and health centres.

- The description of functions of the International Reconstruction Fund Facility for Iraq was completed on the basis of the comments of the Iraqi authorities and in conjunction with all concerned parties. This Fund is composed of two trust funds, one of which is under the United Nations and the other one of which is under the World Bank. The Fund will bring together various donors under an agreed programme that will be implemented using joint funding for priority programmes. including reconstruction projects, sectoral programmes and investment and technical assistance programmes.

- The World Bank was emphatically committed to providing, together with the International Development Institution, a soft-loan package of between US$ 3.5 billion and US$ 5 billion over five years, as previously announced at the Madrid Conference.

2. IMF

The IMF representative stated as follows:

- He emphasized that attendance at the meeting stemmed from the commitment to contribute to the reconstruction of Iraq and promote regional economic cooperation.

- He referred to the report prepared by IMF in conjunction with the United Nations to assess the needs of Iraq, which was presented to the Madrid International Donors Conference in October 2003.

- IMF representatives are in ongoing communication with Iraqi officials and the Coalition Provisional Authority (CPA) in order to discuss economic developments and draw up an economic policy for 2004.

- A preliminary technical assistance programme for the period to June 2004 has been agreed and includes the dispatch of missions to assess needs and carry out training courses in the financial and banking sector.

- He announced the establishment of a technical assistance centre in the Middle East, the aims of which include the provision of technical assistance in developing the economic capabilities of Iraq.

- IMF is contributing to the efforts to reschedule Iraqi debts.

- He emphasized the IMF commitment made at the Madrid International Donors Conference in October 2003 to provide facilities for the post-war period, followed by other assistance. The sums which Iraq may borrow from the IMF during the next three years are estimated at between US$ 2.5 million and US$ 4.25 million.

IMF also participates in the International Advisory and Monitoring Board (IAMB), established pursuant to Security Council resolution 1483 (2003) to monitor the export of Iraqi petroleum and gas.

3. Intervention of the representative of the United Nations (United Nations Development Programme (UNDP))

- The representative of the United Nations asserted that the security situation in Iraq has a direct impact on the role which the Organization is able to play in Iraq. He also referred to the Security Council resolutions which call on the United Nations to perform an effective role in Iraq, thus prompting the Organization to seek temporary alternatives to suspending its activities in Iraq and opening offices in neighbouring States. He mentioned that the United Nations task force based in Amman is preparing a 2004 plan of action for human development to assist in restoring essential social services, health services, transport and infrastructure and in activating the role of civil-society institutions.

- He also stressed the importance of cooperation and coordination with the League of Arab States and the organizations attached to it and indicated that the Secretary-General of the United Nations would hold a meeting during the current month with representatives of CPA and the interim Iraqi Governing Council to discuss the role of the United Nations in Iraq.

IV. Main outcomes of the meeting

- The participants expressed full solidarity with Iraq and, through the recommendations produced by the meeting, affirmed the importance of effective participation in the international efforts to assist Iraq in conjunction with the international organizations concerned, establish a mechanism for coordination among Arab institutions and organizations and a mechanism for cooperation and coordination comprising the Iraqi, Arab and international actors involved in the reconstruction in Iraq.

- The participating international organizations emphasized that it was important for the League of Arab States and the organizations and institutions attached to it to perform an effective role in the Iraq reconstruction process. They also expressed their readiness to coordinate and cooperate with the Iraqi side in that connection.

- The Hashemite Kingdom of Jordan announced the establishment of an Iraqi investment company with a capital of US$ 50 million.

- SFD highlighted the contribution announced by the Kingdom of Saudi Arabia at the Madrid Conference, estimated at approximately US$ 1 billion, to fund development projects through SFD in the fields of education, health and infrastructure, as well as to finance and secure Iraqi exports through SFD development programmes.

- AAAID announced the allocation of US$ 20 million for the rehabilitation of one of its companies in Iraq. It also expressed its firm intention to send a mission to Iraq in search of new investment opportunities and stated that it was ready to provide technical support to any projects relating to Iraq's agricultural sector.

- The representative of the World Bank at the meeting underlined the sum announced at the International Donors Conference for the Reconstruction of Iraq, held in Madrid on 1 October 2003, amounting to between US$ 3.5 billion and US$ 5 billion over five years in the form of loans and soft loans.

- The IMF representative underlined the contribution proposed by IMF at the Madrid Conference, amounting to between US$ 2.5 million and US$ 4.25 million in the form of loans over three years.

- A number of Arab organizations and funds[2] emphasized their willingness to provide technical assistance and contribute to the preparation of retraining programmes for Iraq's human resources. Some organizations also offered projects for the rehabilitation of Iraq's vital sectors. Arab States and financial institutions, however, will be required to provide material support for the implementation of these projects and programmes.

- A number of joint Arab action institutions expressed their firm intention to send delegations and missions to Iraq in order to explore ways of contributing to the assistance and assuming an effective role in the process of Iraq's reconstruction, namely CAEU, AABFS, ALECSO, ACAC, IAIGC, which sent a member of its technical apparatus to represent it in Baghdad and monitor economic developments in Iraq, and AOAD, which also sent a technical delegation to Iraq.

- The representative of the Council of Arab Ministers of the Interior at the meeting stated that, at its twenty-first session held in Tunis on 5 January 2004, the Council adopted resolution No. 425 on support for the Ministry of the Interior in Iraq.

- The joint Arab action institutions affirmed their welcome of cooperation and coordination with the international organizations involved in Iraq's reconstruction and of coordination with the competent authorities in Iraq through the League of Arab States.

- AFESD stated that it would resume its activity in Iraq, which had ceased in 1990, and that it would finance government and private sector projects in accordance with the priorities to be determined by the Iraqi authorities. AFESD will focus its priorities on projects for drinking water, electricity, health, education and infrastructure.

- The participants emphasized the importance of an essential role for the Arab private sector and Arab NGOs in the process of Iraq's reconstruction.

- The representative of the State of Qatar at the meeting underlined the contribution, amounting to US$ 1 million, which his country had offered at the Madrid Conference, as well as the announcement concerning the establishment of an international fund in support of education in Iraq, in cooperation with UNESCO, to which Qatar had donated the sum of US$ 15 million.

- The president of the Union of Iraqi Investors, which participated in the meeting in cooperation with the UAI delegation, delivered an address in which he expressed his gratitude and appreciation for the efforts of the League of

[2] CAEU, OAPEC, ARADO, ASBU, ALECSO, ACSAD, ALO, AOAD, AAEA, AIDMO, ACAC, GAIF, UAB, UAI and AABFS.

Arab States to assist the Iraqi people during all periods, with particular reference to the mission which it had sent to Iraq. He also stated that Iraqi investors had made their own efforts to establish an Iraqi bank with a capital of 10 billion Iraqi dinars. They had also obtained approval to establish a foreign bank with a capital of US$ 25 million. He called on officials in funding institutions and organizations to open dialogue with Iraqi investors concerning the possibility of cooperation in order to build and reconstruct Iraq.

Proposals submitted by various States and organizations

- The representative of the State of Qatar, the Vice-Minister for Foreign Affairs, emphasized the need for coordination among the organizations for joint action and the competent Iraqi authorities with a view to determining priorities. He also emphasized the importance of cooperation with the United Nations and international organizations in order to avoid any overlap between the Arab and international projects being implemented and also proposed the elaboration of a mechanism for coordination among the institutions and organizations for joint Arab action.

- Dr. Ahmad al-Juwayli, Secretary-General of CAEU, suggested that benefit could be gained from the experience of the Sudan and that a coordination unit and an Arab fund for the reconstruction of Iraq should be established.

- The AAEA Director-General proposed that Arab organizations should be used as centres of expertise for the implementation of projects.

- The ACSAD representative raised the possibility of opening an office of the League of Arab States in Iraq for the purpose of coordinating with the competent Iraqi institutions and reporting to Arab organizations on the latest developments in Iraq. He also called on Arab States and on Arab and international funding institutions to support the efforts of the joint Arab action institutions in the reconstruction of Iraq.

Appendices

- Summary of the presentation by the Minister of Planning and International Cooperation of the Hashemite Kingdom of Jordan.

- Recommendations of the second meeting of the Joint Arab Action group in support of the Iraqi people.

- List of participants.

Summary of the proposals of Dr. Basim Awadallah, Minister of Planning and International Cooperation of the Hashemite Kingdom of Jordan

Main content of the Minister's presentation of proposals in connection with the Arab role in the reconstruction of Iraq

1. Desired objectives

- To accelerate the reconstruction process by relying on and retraining Iraqi managerial personnel.

- To provide an acceptable level of essential services in Iraq and raise the standard of living for citizens.

- To rehabilitate Iraqi institutions.

- To provide security and stability, these being two essential requisites for the success of the reconstruction.

2. Role of Jordan in the Iraq reconstruction process

- Jordan established a field hospital in the Fallujah region, provided the inoculations needed for school children in the governorate of Rabtah and contributed to the capacity-building of those working in this field. It also sent medical assistance and necessary food items.

- To facilitate procedures for the passage of humanitarian assistance to Iraq across Jordanian territory.

- To provide logistical support and the required facilities for United Nations organizations and international NGOs working in Iraq.

- To exchange expertise between Jordanian and Iraqi institutions and ministries, particularly in the fields of health, agriculture, electricity, trade, transport, banking and communication.

- To train 23,000 members of the Iraqi police force and run training programmes for those employed in civil aviation and the Central Statistics Office.

- To establish a Jordanian-Iraqi investment company with a capital of US$ 50 million to take part in the reconstruction process.

- To open a coordination office in Amman for the Iraqi electricity sector.

- To run training programmes in conjunction with Japan for workers in the essential sectors as part of training programmes for third world countries.

3. Role of Arab States in the reconstruction of Iraq

- To create a mechanism for coordination among joint Arab action institutions in order to guarantee integrated efforts and the optimum utilization of resources, as well as prioritize development projects which make intensive use of human resources, thus helping to solve the unemployment problem.

- To formulate a specific action programme to be followed by the League of Arab States.

- To encourage the private sector to perform an effective role in the reconstruction process and encourage direct investment in Iraq.

- To activate the role of civil-society institutions in the reconstruction.

- To coordinate among Arab States in this field, as well as with the international organizations involved in the reconstruction, so that the process gains from the benefit of qualified Arab expertise.

Recommendations of the second meeting of the Joint Arab Action group in support of the Iraqi people (Amman, Jordan, 6 January 2004)

In the context of following up the efforts of the League of Arab States and its specialized organizations to support and assist Iraq, in accordance with the initiative of the General Secretariat to organize a meeting of all Arab specialized organizations on 20 April 2003, during which an initial idea of what the Organization of the League of Arab States can offer in support of Iraq was formulated,

In accordance with Decision 6325 (article 9) of the Council of the League of Arab States, adopted at the 120th session of the Council of the League of Arab States at the ministerial level on 9 September 2003 concerning developments in the situation in Iraq, which calls for "the provision of support and assistance to the Iraqi people in their efforts to overcome their difficulties and reconstruct the country in order to achieve a better future for Iraq",

After hearing the Secretary-General concerning the developments in the situation in Iraq and the outcomes of the recent visit of the delegation of the League of Arab States to Iraq,

And in the light of the proposals submitted by the Joint Arab Action group and the representatives of the United Nations and the International Monetary Fund concerning the needs of Iraq in various fields,

The recommendations are as follows:

1. To express full solidarity with Iraq and emphasize effective Arab participation in the international efforts for assistance to Iraq, in conjunction with the international organizations concerned;

2. To dispatch delegations from joint Arab action institutions to Iraq, in collaboration with the League of Arab States, in order to investigate the situation on the ground and the different areas of priority as far as Iraq's needs are concerned, as well as determine ways of providing assistance;

3. To establish a mechanism for coordination among Arab organizations and institutions in order to coordinate efforts to assist Iraq;

4. To encourage the Arab private sector and NGOs to perform an effective role in the Iraq reconstruction process;

5. To urge the international community to intensify efforts to support and assist Iraq in the reconstruction process;

6. To endeavour to establish a mechanism for cooperation and coordination comprising the Iraqi, Arab and international actors involved in the reconstruction in Iraq;

7. To address a report to the Secretary-General of the United Nations and other international actors on the outcomes of this meeting;

8. To make preparations to convene the third meeting of the Joint Arab Action group with the participation of the private sector and NGOs.

List of participants in the second meeting of the Joint Arab Action group in support of the Iraqi people
(Amman, Jordan, 6 January 2004)

1. Participants from Arab States

State	Participants	Title
Hashemite Kingdom of Jordan	Dr. Basim Awadallah	Minister of Planning and International Cooperation
	Dr. Tayssir Radwan al-Amawi	Director of Policies and Studies for the Minister of Planning
	Ambassador Abdullah Madadha	Director of the Department for Arab and Middle Eastern Affairs at the Ministry of Foreign Affairs
	Mr. Walid Abdul Rahman Al-Hadid	Director of the Economic Department at the Ministry for Foreign Affairs
	Mr. Sayfan al-Qudah	Second Secretary, Office of the Permanent Delegation to the League of Arab States
	Mr. Jamal Mahmud al-Asal	Economic Researcher at the Ministry of Planning and International Cooperation
	Mr. Arif al-Warikat	Head of section at the Ministry of Foreign Affairs
	Mr. Arafat Hamd al-Muwaffi	Computer technician at the Ministry of Planning
United Arab Emirates		
Kingdom of Bahrain	Embassy representative	
Republic of Tunisia	His Excellency Mr. Abdul Ra'uf al-Basiti	Ambassador of the Republic of Tunisia to Jordan
	Ms. Su'ad al-Tarabulsi	Advisor at the General Department of International Organizations and Symposia at the Tunisian Ministry of Foreign Affairs
People's Democratic Republic of Algeria	Mr. Buthaljah Mu'arif	Ambassador of Algeria
	Mr. Muhammad Butrariq	First Counsellor at the Algerian Embassy
Republic of Djibouti	Embassy representative	
Kingdom of Saudi Arabia	Embassy and SDF representative	
Republic of the Sudan	Ambassador Muhammad Mahmud Abu Sinn	Ambassador of the Sudan to Jordan
	Mr. Al-Hassan Ahmad al-Husayn al-Arabi	First Secretary at the Sudanese Embassy in Jordan
Syrian Arab Republic	Embassy representative	
Republic of Somalia	Embassy representative	
Republic of Iraq	Ambassador Nasir al-Samara'i	Head of delegation
	Mr. Ma'in Abdul Rahman Barakat	Iraqi Chargé d'affaires in Amman
	Mr. Munthir Ja'id	First Secretary
Sultanate of Oman	Ambassador Hamd bin Hilal al-Ma'amri	Ambassador of the Sultanate of Oman to Jordan
Palestine	Embassy representative	
Qatar	Mr. Sayf Muqaddim al-Bu'aynayn	Assistant Minister for Foreign Affairs
	Mr. Rashid Mirza al-Mulla	Officer at the Ministry for Foreign Affairs
United Republic of Comoros	Embassy representative	
Kuwait	Embassy representative	
Lebanese Republic	Embassy representative	
Great Socialist People's Libyan Arab Jamahiriya	Embassy representative	
Arab Republic of Egypt	Ambassador Muhammad Abdul Hamid Hijazi	Ambassador of the Arab Republic of Egypt to Jordan

State	Participants	Title
	Mr. Hisham al-Miqwad	Second Secretary at the Egyptian Embassy
Kingdom of Morocco	Mr. Abdul Qadir al-Zawwah	Ambassador
Islamic Republic of Mauritania	Ambassador Ahmad Khalifah	Ambassador
Republic of Yemen	Dr. Ibrahim Sa'id al-Adufi	Ambassador of the Republic of Yemen to Jordan
	Mr. Abdul Rahman Abdullah al-Zayla'i	First Secretary at the Embassy of the Republic of Yemen

2. Arab organization and fund members of the Higher Coordination Committee for Joint Arab Action

CAEU

Dr. Ahmad Ahmad al-Juwayli	Secretary-General
Prof. Abdul Razzaq Awwad Faysal	Ministry Plenipotentiary
Prof. Mahmud Abu Zayd	Advisor - Council of Unity 113 Cornich al-Nil Cairo Tel : (202) 5575321 Fax : 5754090

OAPEC

Dr. Jamil Tahir	Director of the Economic Department OAPEC POB 20501 Kuwait Tel : 4815692 Fax : 4815747 jamiltahir@hotmail.com

ARADO

Dr. Kamal Zayn	ARADO Advisor
Ms. Taghrid Hassan Badawoud	Officer in charge of Arab Relations and International Cooperation 2 Hijaz Street Masr al-Jadidah Cairo Tel : (202) 2580006 Fax : (202) 2580077 thbadawoud@arado.org.eg

ASBU

Mr. Abdul Hafiz al-Hirqam	Director-General
Mr. Muhammad Sayyid Ahmad	Director of the Department of Administrative and Financial Affairs 6 Nahj al-Muqaawilin Sharqiyah No. 2 District Tunis Republic of Tunisia Tel : (00216) 71703855 Fax : (00216) 71704203

ALECSO

Dr. Al-Munji Bosnina	Director-General
Prof. Muhammad Ahmad al-Qahzi	Director of the Office of the Director-General
Mr. Muhammad Shawqi Mursi	Director of the Department of Financial and Administrative Affairs Rue Ahmad V Tunis Tel : (00216) 71785759 Fax : (00216) 71784965
Prof. Ahmed Adel Lahmar	Information Officer at the Department of the Office of the Director-General Lahmar :medadel@gmail.att.inEmail

ACSAD	
Engineer Nuri Rahuma	*Assistant Director-General*
Dr. Nasr al-Din al-Ubayd	*Director of the Department of Financial and Administrative Affairs*
Engineer Riyad sa'd al-Din	*Director of the Department of Economy and Planning* *Damascus* *Syria* *Tel : (00963) 115743039* *Fax : (00963) 117534063* *acsad@sesss_net.org*
Arab Academy for Science, Technology and Maritime Transport	
Rear Admiral Faraj Lutfi	*Advisor to the Head of the Academy* *434 Hurriyah Road* *Rushdi* *Alexandria* *Tel : (203) 5426260* *Fax : (203) 5487786*
Prof. Jamal Sadiq Sayyid	*Director of the Department of Arab Affairs*
ALO	
Dr. Ibrahim Qquwaydir	*Director-General*
Mr. Tamir Mustafa Tamo	*Head of the Office of the Director-General* *7 Masahah Square* *Doqqi* *Giza* *Tel : (202) 3362724* *Fax : (202) 7484902* *tamertamo@hotmail.com* *Alo@arab_labor.org*
AOAD	
Dr. Salim al-Luzi	*Director-General*
Dr. Abbas Abdul Rahman Abu Uf	*AOAD Technical Advisor* *POB 474* *Post Code 11111* *Khartoum* *The Sudan* *Tel : (24911) 477617* *Fax : (24911) 471402* *abbasu@aoad.org*
Mr. Sami Abdul Razzaq	*Director of the Department of Financial and Administrative Affairs*
Council of Arab Ministers of the Interior	
Dr. Salih al-Sa'd	*Chief Director* *Arab Narcotics Bureau* *Amman* *Tel : (077) 4600445* *Fax : (009626) 5514689*
AAEA	
Dr. Mahmud Nasr al-Din	*Director-General* *7 Rue Fatimah al-Fahriyah* *Mitwal Fil* *Tunis* *Tel : (00216) 71 800099* *Fax : (00216) 71781820* *aaeu@planet.ury.tn*
AIDMO	
Engineer Tal'at bin Thafir-al-Thafir	*Director-General*

Mr. Basim Abu Shaykhah	*Director of the Department of Administrative and Financial Affairs* *Supervisor of the Office of Planning and Follow-up* *POB 8019* *Rabat* *Kingdom of Morocco* *Tel : (0021237) 772600* *Fax : (0021237) 772188*
ACAC	
Dr. Abdul Jawad al-Dawudi	*ACAC Director-General*
Dr. Ibrahim Bini 'mar	*Advisor to the ACAC Director-General* *48 Zanqah al-Ikhsas* *Imam Malik Street* *POB 5025* *Rabat - Al-Siawysi* *Tel : (0021237) 658323* *Fax : (0021237) 658154* *acac@wwlcom.net.ma*
AFESD	
Prof. As'ad Mustafa	*AFESD Advisor*
IAIGC	
Dr. Fahd Rashid al-Ibrahim	*Director-General*
AMF	
Prof. Ghassan Basharah	*Director of the Department of Financial Affairs* *POB 2818* *Abu Dhabi* *Tel : (009712) 6171501* *finance@amfad.org.eg*
Arab Bank for Economic Development in Africa (BADEA)	
Mr. Abah Walad Abah	*Advisor at the Office of the Director-General* *Khartoum* *The Sudan* *Tel : (24911) 773646* *Fax : (24911) 770600* *badea@badea.org*
AAAID	
Ambassador Abdul Karim Muhammad al-Amiri	*AAAID President*
Prof. Al-Arabi bin Muhammad al-Hamdi	*Director of the Regional Office* *POB 51250* *Dubai* *United Arab Emirates* *Tel : 0097142271616* *Fax : 0097142271588* *aarabi@emirates.net.ae*
General Union of Chambers of Commerce, Industry and Agriculture	
Dr. Ilyas Ghantus	*Secretary-General*
Ms. May Dimashqiyah Sirhal	*Director of the Union's Department of Economic Research* *POB 11-2837* *Beirut* *Lebanon* *Tel : (01) 862841* *gucciaas@destination.com.lb*
GAIF	
Prof. Abdul Khaliq Ra'uf Khalil	*Secretary-General* *8 Qasr al-Nil Street* *Cairo* *Tel : (202) 5753188*

	Fax : (202) 5762310
UAB	
Dr. Fu'ad Shaker	*Secretary-General* *Beirut* *Lebanon* *Tel : (009611) 785711* *Fax : (009611) 861664* *fshaker@uabonline.org*
Prof. Rania al-Khuri	*Director of the Jordan Office* *POB 13190* *Amman 11932* *Tel : (009626) 5677234/5* *Fax : (009626) 5688854* *rania@uabonline.org*
UAI	
Ambassador Muhammad Jamal al-Din Bayumi	*Secretary-General* *12 Masahah Square* *Doqqi* *Cairo* *Tel : 3383072*
Prof. Abdul Rahman Awad Atiya	*Chairman of the Board of Directors of the Arab-African Centre* *5 Al-Masahah Square* *Doqqi* *Cairo* *Tel : 3383068* *Fax : 3355430*
Dr. Zaynab Abdul Rahman al-Awad	*Director of the Arab-African Marketing Centre* *Tel : 3374490*
Arab Towns Organization (ATO)	
Prof. Abdul Rahman al-Baqa'I	*Deputy Mayor of Amman* *Amman* *Hashemite Kingdom of Jordan* *Tel : (9626) 4618562* *Fax : (9626) 4700333*
AABFS	
Dr. Mustafa Hadib	*AABFS President*
Prof. Dr. Khalil Muhammad Hassan al-Shama'	*AABFS Vice-President* *Amman* *Hashemite Kingdom of Jordan* *Tel : (00962-6) 5502900* *Fax : (00962-6) 5237834* *Nsabbagh@aabfs.org*
Prof. Rasha Ayyad Raghib	*Director of the Department of Arab and International Relations*
General Secretariat of the League of Arab States	
Prof. Nur al-Din Hashad	*Deputy Secretary-General*
Ambassador Abdul Rahman al-Suhaybani	*Assistant Secretary-General for Economic Affairs*
Ambassador Ahmad bin Hali	*Assistant Secretary-General for Political Affairs and the League Council*
Dr. Nadir Kibbeh	*Director of the Department of Institutions for Joint Arab Action*
Prof. Khalil Abu Afifah	*Director of the Economic Department*
Prof. Wa'il al-Asad	*Director of the Department for the United Nations and International Organizations and Movements*
Prof. Tariq al-Nabulsi	*Office of the Secretary-General*
Prof. Lami Qasim	*Office of the Secretary-General*
Prof. Walid al-Arabi	*Department of Joint Arab Action Institutions*
Prof. Mahmud al-Shakhat	*Office of the Secretary-General*

3. International organizations

Organization	*Participants*	*Title*
United Nations	*Oscar Fernandez-Taranco*	*Deputy Director-General and Deputy Regional Director of the UNDP Regional Bureau for Arab States*
World Bank	*Dr. Umar Munif al-Razzaz*	*Director of the Office of the World Bank, Beirut*

4. Country funds and banks

Organization	*Participants*	*Title*
SDF	*Mr. Muhammad bin Sulayman al-Dalilan*	*Economic Advisor*
IDB	*Mr. Ahmad Muhammad Ali*	*IDB President*
	Mr. Al-Mansur bin Fati	*Acting Director of Country Operations*

Annex II to the letter dated 26 January 2004 from the Permanent Observer of the League of Arab States to the United Nations addressed to the President of the Security Council

[Original: English/Arabic]

League of Arab States
General Secretariat

Second meeting of the Joint Arab Action group in support of the Iraqi people
(Amman, Jordan, 6 January 2004)

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8.	Ministry of Finance	
9.	Ministry of Foreign Affairs	
10.	Ministry of Health	
11.	Ministry of Higher Education and Scientific Research	
12.	Ministry of Housing and Construction	
13.	Ministry of Human Rights	
14.	Ministry of Industry and Mining	
15.	Ministry of the Interior	
16.	Ministry of Justice	
17.	Ministry of Labour and Social Affairs	
18.	Ministry of Municipalities and Public Works	
19.	Ministry of Oil	
20.	Ministry of Planning and International Cooperation	
21.	Ministry of Science and Technology	
22.	Ministry of Trade	
23.	Ministry of Transport	
24.	Ministry of Water Resources	
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27. Central Bank of Iraq
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[3] AAIDO stated its intention to send a technical team to study and explore agricultural investment opportunities (in both horticulture and livestock) when the situation in Iraq stabilizes.

Second meeting of the Joint Arab Action group in support of the Iraqi people
(Amman, Jordan, 6 January 2004)

I. Introduction

Following up the efforts of the League of Arab States to support and assist the Iraqi people, and complementing the initiative of the General Secretariat to organize a meeting of Arab specialized organizations on 20 April 2003, during which an initial idea was formulated of what the League of Arab States can offer in support of the Iraqi people,

In accordance with Decision 6325 (article 9) of the Council of the League of Arab States, adopted at its 120th session held at the ministerial level on 9 September 2003 concerning developments in the situation in Iraq, which calls for "the provision of support and assistance to the Iraqi people in their efforts to overcome their difficulties and reconstruct the country in order to achieve a better future for Iraq",

The Secretary-General called for the second meeting of the Joint Arab Action group in support of the Iraqi people to be convened, with the participation of representatives of Arab States, funds and financial institutions. The United Nations, the World Bank and IMF were also invited to explore ways in which an Arab contribution could be made to providing support for the Iraqi people and to joining in the international efforts in that connection in the light of the report prepared by the World Bank and the United Nations, in conjunction with IMF, on the needs of 14 sectors in Iraq, and in the light of the proposals submitted by the various Iraqi ministries at the International Donors Conference for the Reconstruction of Iraq, held in Madrid in October 2003.

II. Proposals submitted by Iraqi ministries at the International Donors Conference for the Reconstruction of Iraq
(Madrid, October 2003)

A free Iraq's vision for the future

International Donors Conference
Madrid, Spain
October 2003

III. Proposals of the Joint Arab Action group in support of the Iraqi people

1. CAEU

Date: 22 December 2003

His Excellency Mr. Amre Moussa
Secretary-General of the League of Arab States

Sir,

With reference to your note No. 623/1 of 6 November 2003 concerning the second meeting of Arab specialized organizations and funds in connection with support for Iraq and participation in its reconstruction, to be held on 6 January 2004 in Amman, Jordan, in conjunction with the extraordinary meeting of the Higher Coordination Committee for Joint Arab Action, to be held in Amman on the same date, I have the honour to submit to you our proposals concerning the programme of work which CAEU can offer as a contribution in support of Iraq and its reconstruction phase. As you may see, it entails the same measures that were taken in connection with the reconstruction of southern Sudan, namely:

1. A workshop to activate and coordinate the role of Arab specialized organizations and specific unions in the reconstruction of Iraq;

2. Preparation for the convening of a special conference on Iraq for investors in order to examine the financial contributions and commitments which Arab States, together with pan-Arab and Arab investment funds and financial institutions, are able to provide in the interest of Iraq's reconstruction and the promotion of investment and development projects in that connection.

We hope that the above will receive your consideration and that you will take such action as you deem appropriate.

Accept, Sir, the assurances of my highest consideration.

(Signed) Dr. Ahmad Ahmad **Juwayli**
Secretary-General
Council for Arab Economic Unity

Role of the joint Arab action institutions in the reconstruction phase in Iraq

Role of CAEU

With reference to the extraordinary meeting of Arab specialized organizations on 20 April 2003 on immediate assistance to the Iraqi people,

In the light of the papers presented at that meeting by some of those organizations,

Pursuant to the consensus reached at the meeting, the role of CAEU during the reconstruction phase in Iraq may be summarized as follows:

I. Preparation of a comprehensive development plan for economic rehabilitation in Iraq in the immediate future

Experience with planning in the CAEU member countries since the early 1960s has revealed many deficiencies and shortcomings, relating variously to the planning methods and techniques used, the implementation strategies adopted or the objectives of the plans in question.

Evaluation of that experience reveals clearly that the comprehensive approach which has commonly been adopted to implement development actions has come up against numerous difficulties. Many weaknesses have been apparent, most notably an insistence on pursuing a broad range of ambitious, large-scale, high-level, qualitatively outstanding objectives in the medium term, regardless of the resources available or the ability of the economy concerned to accommodate the projects.

Experience has also revealed that many plans have been weak in terms of their strategic and goal-oriented structure. Most of them have proved unable to withstand the impact of international crises and the resultant domestic problems. As a result, many important objectives in various countries' plans have been attained late or not at all.

In the light of the foregoing, and having regard to these developments and the internal and external problems confronting the Arab world, the CAEU Secretariat proposes to enlist the assistance of leading Arab and international experts in preparing a comprehensive development plan for the Iraqi economy during the next few years, one that will be commensurate with the requirements of successive phases in the desired transformation and rehabilitation process. The following objectives have been identified:

1. Investment that is optimal in terms of available economic and human resources with a view to achieving a high economic growth rate in various socio-economic activities;

2. Identification and finalization of economic investment priorities that are optimal in terms of available resources, both as regards development project selection and the geographic distribution of projects in order to raise living standards and serve the ends of justice. The private sector will be invited to participate in the economic development process, as the material resources and state-of-the-art technology available to segments of that sector could have a positive impact;

3. Establishment of a sound material basis for advancement of the national economy and reduced reliance on limited sources of finance (notably oil). Transition from a one-sided economy to a developed economy built on the country's own resources and as such protected from the impact of circumstances connected with international relations;

4. Support for scientific and technological activities, with maximum emphasis on training and vocational skills acquisition for Iraq's labour force; development of trained managerial personnel possessing a high level of expertise. The means to this end will be joint training projects that serve these ends.

II. Preparation of a human resources development plan for Iraq

At present, the world is experiencing rapid change that may have a far-reaching impact on concepts of production, economic and social concepts, behavioural concepts, and the like. In particular, the final two decades of the twentieth century were marked by technological advances and what is known as the information revolution, illustrating the human brain's ability to create and innovate. These developments have led to an upheaval in the power relationships between different societies and changes in economic thinking and concepts and patterns of work. The wealth of nations has come to be measured by their ability to create and innovate, to organize, manage and control knowledge, and to design and distribute information and products, or, in other words, by their capacity to assimilate and master the components of technological evolution. This can be expressed in terms of the numbers of highly skilled personnel possessing expertise in many fields of specialization in any given society. The introduction and use of the technological revolution and the information revolution in the field of work and many areas of life may contribute significantly to a society's ability to overcome many problems and play an important role in upgrading production rates and product quality, besides introducing convergence, interaction and change within or between societies. In view of this situation, we feel that the developing countries, including the Arab countries, should strive to acquire modern technology and the components of technological progress, and should seek to use them in an attempt to reduce the yawning gap that separates them from the advanced countries and societies. This will enable them to adapt to the demands of globalization and international change, which are giving those who possess knowledge opportunities of imposing their domination and taking control of world markets in the face of stiff competition that makes quality mandatory first and foremost. Accordingly, the Arab countries must unite their efforts and devote more attention and energy to human development in general, and to the development of the labour force and to its employment in particular. The objectives of comprehensive and continuous development can only be achieved by people, and it is people who are the main link in the production process.

On this basis, the General Secretariat will cooperate with Arab and international organizations involved in arranging training courses and workshops to provide the trained and competent employees needed in Iraq and to enhance their technological skills in the service of the economic development of their country in the present phase.

III. Preparation of a humanitarian assistance plan through specialized Arab associations

It is well known that CAEU is the approved Arab umbrella organization for the group of 30 Arab specialized associations. CAEU provides them with support and sees to it that those associations play their part in Arab economic activities as a whole, ensuring that they are centres of Arab expertise and form a network and an effective instrument for the establishment of the Arab common market.

The specialized Arab associations are the non-governmental institutional framework for joint Arab activities. Their importance is confirmed by the fact that they are linked by special activities and are characterized by dynamism and

flexibility in their work and by decision-making far removed from the bureaucracy of governmental agencies.

These associations are able to create databases in their own sectors of activity enabling them to assist the members of the association to be aware of the market conditions and the industrial situation of concern to them, to exchange views, data and experience among those working in the field of activity of each association and to discuss joint problems and find solutions to them. This ultimately gives rise to the coordination of policies in the areas of investment, production, marketing and pricing as well as providing technical and economic consultancy services for existing projects.

The associations also cooperate to ensure that they are equipped with the tools and other essentials that will permit production under the most favourable conditions, creating to that end common interests among their several projects.

In addition, the associations also provide services to their members in the fields of information, human resources development, training, research and development, the preparation of feasibility studies and exchanges of expertise with a view to forging closer bonds among them and striving to achieve economic integration among Arab countries by performing different tasks and specializing in different areas.

In this context, the CAEU Secretariat will invite the associations to give thought to the question of what they can make available to the Iraqi people during the reconstruction phase in their several fields of competence. The following measures are suggested:

1. Preparation of human resources development, training and capacity-building programmes with a view to upgrading the skills of Iraqi workers and familiarizing them with the latest technological innovations, and also the organization of training programmes and specialized workshops;

2. Research and economic feasibility studies on prospective projects in Iraq;

3. Implementation of new projects and extension of existing projects;

4. Development of solutions to technical, trade-related or other problems presented by Iraqi counterparts;

5. Provision of resources, equipment and other necessities required during the reconstruction phase;

6. Provision of skilled technical and managerial personnel to meet Iraq's needs.

IV. Promotion of investment projects in Iraq

The CAEU Secretariat has received a list of investment projects that Iraq has indicated it would like to see promoted. To that end, the Secretariat has prepared an investment chart, and intends to promote the projects there shown by putting out information about them via the Internet for the benefit of any interested parties.

Secretariat of the Council of Arabic Economic Unity

2. OAPEC

OAPEC
Office of the Secretary-General
Date: 19 November 2003
No.: 1678-1

His Excellency Amre Moussa
Secretary-General
League of Arab States

Sir,

Re: Second meeting of Arab organizations and funds in connection with support for Iraq

I refer to your letter No. 623/1 of 6 November 2003 concerning the second meeting of Arab organizations and funds in connection with support for Iraq and participation in its reconstruction, to be held on 6 January 2004 in Amman. Bearing in mind previous contacts, I have commissioned Dr. Jamil Tahir, Director of the Economic Department, to represent the General Secretariat at the extraordinary meeting of the Higher Coordination Committee for Joint Arab Action, to be held in Amman during the same period. He will also represent the General Secretariat at the meeting referred to in your letter.

In regard to the proposals of the General Secretariat concerning possibilities and ways for the Organization to contribute to supporting the Iraqi people, on 29 April 2003 I transmitted to you a working paper providing an idea of what the Organization is able do in that regard in the phase to come, a copy of which is annexed hereto.

Accept, Sir, the assurances of my highest consideration.

(Signed) Abdul Aziz al-Abdullah **al-Turki**
Secretary-General

Possible action by OAPEC in support of Iraq

OAPEC was founded in 1968 as a specialized regional inter-governmental commodity organization under an agreement concluded, outside the framework of the League of Arab States, among oil-rich, oil-exporting Arab countries. The aims of the Organization are to foster cooperation among its members and unify their efforts in pursuit of optimal development of all aspects of the petroleum industry, to enable members to benefit from their natural resources and implement projects of common interest, and to create an integrated petroleum industry through Arab economic integration.

OAPEC's three founding members were the Kingdom of Saudi Arabia, the Socialist People's Libyan Arab Jamahiriya (at the time the United Kingdom of Libya) and the State of Kuwait, which was selected as the seat of the Organization. Eight other Arab States subsequently joined OAPEC at various times, including the Republic of Iraq, which became a member in 1972. As a member, Iraq participated

in the annual meetings of the Ministerial Council, which is the Organization's supreme authority and, as such, responsible for drawing up its general policy, directing its activity, and laying down the rules governing it. Iraq also participated regularly in the work of OAPEC's Executive Bureau, which assists the Ministerial Council in supervising the Organization's affairs.

A glance at the present situation of the oil industry in Iraq reveals that the petroleum sector is in a better position to undertake its own rehabilitation than other sectors, since it was comparatively lightly damaged as a result of military action and subsequent looting and vandalism. Only 10 producing wells were set on fire, out of a total of several thousand, and it appears that they generally escaped looting and vandalism, in contrast to the Northern Oil Company and the Southern Oil Company. Furthermore, the Ministry of Petroleum in Baghdad was not burned, unlike other Government Ministries, and the country's production facilities and pipelines were left largely intact, as were the three main refineries: Bayji in the north, Dawrah in the central part of the country and Basra in the south. The most important factor is that there are approximately 45,000 Iraqis who are employed in the petroleum sector in various capacities, and this will facilitate the reactivation of that vital sector once the political situation has become stabilized and a legitimate Government is in place. We may note at this point that some sensitive production and refining facilities are urgently in need of modernization, in some cases because of bombing in 1991 and in general because of the sanctions regime that was subsequently imposed on Iraq. Fortunately, much of the capital required for this purpose will be available in the escrow accounts managed by the United Nations under the oil-for-food programme; the petroleum sector's share of those funds is US$ 3.1 billion. Iraq's proved reserves, incidentally, are 115 billion barrels, and may ultimately amount to as much as 370 billion barrels, according to estimates that have recurrently appeared in specialized oil industry publications.

Before the war, the output of Iraq's oil fields was approximately 2.6 million barrels per day. Of that quantity, Iraq kept 500,000 barrels for its own use, while the rest was earmarked for export. But Iraq's exports are currently at a standstill pending repairs to transport facilities for its southern oil, the opening of the Iraq-Syria pipeline, which was shut down by the United States forces, and the resumption of the pumping of Iraqi oil to the Turkish port of Ceyhan. At Ceyhan, the storage tanks are full, owing to the unwillingness of world oil companies to accept and ship Iraqi oil in the absence of an authorization to sell issued by SOMO, Iraq's State Oil Marketing Organization.

The international legal situation is the most important factor in the resumption of Iraqi oil exports, and the main prerequisites are that there must be an internationally recognized national Government in place, and that the United Nations resolutions imposing economic sanctions on Iraq and the demands and compensation approved by the Security Council must be rescinded. Iraq's only recent oil exports that were not subject to confiscation were those that were deemed lawful because they were shipped under the oil-for-food programme. The development of new fields, for its part, is awaiting the outcome of a review of the legality of contracts signed by the previous Iraqi Government with a number of State-owned oil companies based in the Russian Federation, China, France, Italy and Spain, among others.

The foregoing is a summary of the present situation of the petroleum industry in Iraq. The question now arises as to what OAPEC can usefully do to help Iraq at this time, if it is asked for assistance by a recognized national Iraqi Government. Iraq, as we have seen, is a member of OAPEC, and consequently the Organization can provide it with assistance in the context of the exercise of its normal activities, in accordance with the spirit and the letter of the founding agreement, on an equal footing with other member countries. Facilitating factors may be that, as noted earlier, Iraq's petroleum sector has been left largely intact, and that the country possesses vast quantities of oil, besides substantial reserves, and also a pool of highly skilled and qualified scientific personnel and managers.

OAPEC has identified two areas in which it may be able to make a useful contribution. In the first place, it can provide cooperation and coordination to serve its member countries, as, for example, by exchanging data, organizing specialized seminars at which experts from member countries interact with other experts, developing solutions to technical and technological problems confronting the oil industry in member countries, and engaging in information and documentation activities.

In this context, OAPEC can provide Iraq with data and information from its databank, and can support it by supplying any Secretariat publications that it may request. The Organization can also make books, periodicals and reference materials from its library available, at Iraq's request, it can participate with technical work teams in addressing technical problems pertaining to exploration, production or any related industries, and it can prepare studies on the country's oil industry.

In the second place, OAPEC can take advantage of the commercial firms it has established over the years. These include: the Arab Maritime Transport Petroleum Company, based in Kuwait, which provides hydrocarbon transport services of all kinds; the Arab Shipbuilding and Repair Yard Company, based in Bahrain, which builds, repairs and maintains all kinds of ships, tankers and other marine transport vessels designed to carry hydrocarbons or other freight; the Arab Petroleum Investment Corporation, based in Saudi Arabia, which contributes investment capital for petroleum-related projects and industries, and for various ancillary activities related to such projects and industries; and the Arab Petroleum Services Company, based in Libya, which provides services required by the oil industry. Iraq, we may note, participates in all these companies, which are, however, independent entities with their own boards of directors. Iraq might explore opportunities for making constructive use of these companies or their subsidiaries, such as the Arab Drilling and Workover Company, based in Libya, which carries out both on-land and undersea drilling and well maintenance operations, drilling for water as well as for oil and performs other technical operations relating to drilling, the Arab Well Logging Company, based in Iraq, which specializes in well logging operations and the discovery and development of oil fields, the Arab Geophysical Exploration Services Company, based in Libya, which conducts geophysical surveys, and the Arab Detergent Chemicals Company, based in Iraq, which has three production lines in its linear alkyl benzene complex.

In addition to these companies, the Arab Petroleum Training Institute, which was founded by OAPEC and is located in Iraq, is well placed to contribute effectively to the preparation of trainers, technical personnel and managers in various fields of the oil industry. The Institute also conducts studies and research

relating to productivity and training and education methods. In a word, we believe that OAPEC is in a position to play its natural role in helping Iraq through the regular activities of its Ministerial Council, of which the Iraqi Minister of Petroleum is a member.

3. ARADO

Note on ARADO participation in the reconstruction of Iraq

The United Nations/World Bank Joint Iraq Needs Assessment, to which IMF also contributed, was examined and compared with the ARADO plan for the reconstruction and development of the Iraqi administration which ARADO had earlier submitted to the meeting for all organizations organized by the General Secretariat on 20 April 2003 to discuss initial ideas of what those organizations could contribute in support of the Iraqi people. The views and proposals clearly coincided on the matter of administrative development, particularly in connection with the reference made in the report to the institutional and administrative framework in Iraq. Attention was paid to building the administrative apparatus with respect to reviewing the institutional structure and administrative framework appropriate to Iraq; planning, training and developing human resources and honing their skills; simplifying operational procedures and methods; drafting rules, regulations, legislation and laws; and reviewing the local government system in order to tackle its unfavourable aspects and strengthen the participation of citizens through civil-society institutions.

Given that the United Nations/World Bank Joint Needs Assessment, to which IMF also contributed, covers the needs of the main sectors in Iraq and was viewed by donors at the recent Madrid Conference as a basis for the plan to reconstruct Iraq, the Organization has studied the parts of the report dealing with the immediate needs for 2004 and medium-term needs for the period 2005-2007 in connection with the strengthening of government institutions and the rehabilitation and capacity-building required to enable them to cope with the economic transition and deliver their services to the people. On the basis of those specific needs, the Organization believes that it is in a position to contribute generally, alongside the technical players and with donor support, to realizing all needs. The activities to which it can contribute on the basis of the plan drawn up for the immediate and medium-term future, however, are set forth below.

Immediate needs for 2004

- Provide assistance to the Governing Council and the committee set up to draft the Constitution in acquiring familiarity with the experiences of democracy elsewhere;
- Assist the Governing Council in building capacity for policy analysis and review;
- Strengthen the ability of local government and its institutions to deliver public services;
- Rebuild and rehabilitate the central ministries and local government entities and supply the equipment, furnishings and tools needed for the performance of their work;

- Prepare the framework essential to the future establishment of a civil service authority and determine its tasks, functions and administrative structure, as well as the number of employees needed for its activities. As part of that preparation, the civil service laws and regulations should be reviewed, together with the salary and incentive systems, before an elected government is up and running in order to provide alternatives on which that government bases its decisions. The system should be compatible with the demands of living and should also increase professionalism and fight corruption;

- Strengthen the Higher Council of Accounting and empower it to conduct a systematic financial and administrative review of all public institutions. The reports which it produces on government bodies will be of service in putting together the necessary reforms;

- Introduce and apply information systems in ministries and local government institutions in order to strengthen financial management and control spending;

- Establish an institute for public administration with three branches in the south, centre and north to train government employees at all levels and members of the legislative councils in the governorates;

- Review the law and rules on purchases and submit proposals for the necessary alternatives, as well as apply clear administrative regulations and procedures.

Support for civil-society organizations

- Review the laws and regulations governing the establishment and operation of civil-society organizations;

- Train the founders and associates of such organizations.

Support for the media and communications

- Train journalists in their various fields, possibly through twinning with ultra-modern institutions.

Needs required in the medium term (2005-2007)

Support for local and national institutions

- Determine the tasks and functions of all ministries, refine their organizational structures and establish a clear picture of the number of employees required at the central and local levels;

- Establish a body under the Council of Ministers to monitor policy implementation, conduct policy assessments and carry out studies analysing the impact of the policies concerned on society;

- Set up a civil service authority;

- Introduce a good salary and incentive scheme for those in the civil service.

Promotion of civil-society institutions

- Continue to promote civil-society institutions and confirm that the legal framework under which they operate is complete;

- Facilitate the participation of civil-society organizations in reconstruction activities and development projects, as well as enable them to follow up and state their views on activities performed by the Government.

4. ASBU

Proposals by ASBU concerning support and assistance for the Iraqi Broadcasting and Television Establishment (IBTE)

I. Programming

- ASBU is prepared to provide the Iraqi radio service with various types of programme materials (radio drama, children's programmes, programmes on tourism, cultural programmes and so forth) which have been exchanged among Arab broadcasting services in the course of the past two years.
- ASBU is prepared to provide Iraqi television with a number of Arab television programmes of various kinds that have been exchanged among Arab television services.
- ASBU will ask its members to provide IBTE with new radio and television programmes of various kinds.
- ASBU is prepared to resume providing IBTE with all types of Arab news, programming and sports broadcasts through frequencies leased by ASBU on ARABSAT, and to help the Establishment receive them from an engineering standpoint.

(See appended schedules showing the various types of programme exchanges.)

II. Training

- Persons employed in Iraqi radio and television will be encouraged to participate in basic and advanced training courses and activities organized by the ASBU Training Centre in Damascus. To facilitate this initiative, the various broadcasting authorities belonging to ASBU will make grants available for Iraqi trainees in order to enable more of them to take courses at the Centre.
- Courses and workshops will be established in Baghdad on a priority basis for the benefit of persons employed by IBTE. These courses and workshops will address basic issues to be determined by the Iraqis. The ASBU Training Centre will provide experts and trainers to give these decentralized courses.
- The ASBU Training Centre, which works in close cooperation with various foreign training centres and institutions, will communicate with its opposite numbers elsewhere to discuss possibilities for assisting Iraqi radio and television services in various fields, notably training.

III. Engineering

- ASBU will supply essential data on vital equipment that will enable Iraqi television to receive television news and other programming via the ARABSAT frequencies leased by ASBU.

- ASBU will assist its Iraqi counterparts in preparing and supplying specifications for the establishment of digital ground stations for satellite television transmission.

- ASBU will provide assistance aimed at enabling its Iraqi counterparts to benefit from its broadcast and information exchange system via VSAT, which provides the following services:

· Radio broadcasting exchanges between Arab broadcasting authorities;

· Coordinated voice-conferencing between Arab radio and television authorities;

· Exchanges of data and files between radio and television authorities;

· Telephone communication between radio and television authorities.

- ASBU will develop plans and perform the necessary calculations to ensure coverage of the country by terrestrial radio and television transmission, relying for that purpose on programmes available to ASBU, which use digital maps.

- ASBU will provide assistance and training in the distribution and allocation of Iraq's designated radio and television frequencies, in accordance with the measures and structures connected to the use of the frequencies allocated to all countries, and the registration of any additional frequencies with ASBU, which will handle communications and anything else required for coordination with neighbouring countries.

- ASBU will provide assistance for the preparation of specifications relating to radio and television production.

Appendix 1
Times (GMT) of regular daily Arab news broadcasts transmitted in the ASBU-1 frequency range leased by ASBU on satellite channel 17 belonging to ARABSAT

	Winter	*Summer*
ASBU NEWS-1	1015-1045	1100-1130
Daily summary devoted to the struggle of the Palestinian people	1345-1355	1345-1355
ASBU NEWS-2	1500-1530	1545-1615
ASBU NEWS-3	1815-1845	1815-1845

Appendix 2
Times of weekly news, sports and economic affairs broadcasts transmitted in the ASBU-1 frequency range leased by ASBU on satellite channel 17 belonging to ARABSAT

Broadcast	*Day*	*Winter*	*Summer*
Sports I	Saturday	1200-1300	1200-1300
Economic affairs	Saturday	1400-1430	1300-1330
Sports II	Monday	1200-1230	1200-1230

Appendix 3
Times of miscellaneous weekly and monthly broadcasts transmitted in the ASBU-1 frequency range leased by ASBU on satellite channel 17 belonging to ARABSAT

Exchange	*Day*	*Winter*	*Summer*
Cultural highlights	Sunday	1400-1430	1300-1330
Arab life	Wednesday	1200-1300	1200-1300
Monthly illustrated song programme	Last Wednesday of each month	1715-1745	1645-1715
Monthly miscellany of programmes and intermissions	Last Tuesday of each month	1715-1745	1645-1715
Know your country	To be announced		
Annual documentary programme	To be announced		

5. ALECSO

Arab League Educational, Cultural and Scientific Organization
Director-General
1961/2003

15 December 2003

His Excellency Mr. Amre Moussa
Secretary-General of the League of Arab States

Sir,

With reference to your letter No. 623 of 6 November 2003, I have the honour to submit to you a draft proposal on support and assistance for the Iraqi people in their efforts to overcome their difficulties and reconstruct their country.

In drafting the proposal, the following considerations were taken into account:

- The needs of the sectors of education, higher education and cultural heritage covered by the United Nations/World Bank Joint Needs Assessment;

- The needs of these sectors that are available from other sources, in particular:

The recommendations of the committee of senior experts formed by UNESCO for this purpose, held in Tokyo on 1 August 2003, on safeguarding Iraqi cultural property;

The recommendations of the extraordinary joint meeting of the Bureau of the Standing Committee for Arab Culture and the Bureau of the Standing Committee for Antiquities and the Cultural Heritage (Tunis, 7-8 June 2003);

- The resources of the Organization and the ways in which it can assist in supporting the Iraqi people.

The proposal is as follows:

I. The Iraqi National Educational, Cultural and Scientific Committee

- Assistance will be given in rehabilitating the Iraqi National Educational, Cultural and Scientific Committee by providing it with the technical equipment and apparatus needed for it to resume it work, supplying its library with references, tools and the research, studies and publications issued by the Organization in its educational, scientific and cultural fields of activity, and replenishing its archives with the literature of the legislative councils of the Organization and its general conferences, including the rules and directives relating to the work of those councils;

- Steps will be taken to ensure that the Iraqi National Educational, Cultural and Scientific Committee is linked with the Organization's website and has use of the VSAT system, with the cooperation of ASBU.

II. Education and libraries

- Technical expertise will be provided in restructuring the Iraqi education system and building the organizational structures of its educational institutions by putting forward views and proposals based on in-depth studies prepared for that purpose in conjunction with the competent authorities at the Iraqi Ministry of Education;

- Assistance will be given in retraining teachers by preparing training programmes, producing training packages and strengthening the infrastructure for distance learning as a means of implementing these programmes in conjunction with the Open Education College run by the Iraqi Ministry of Education;

- Assistance will be given in retraining for head teachers of Iraqi primary and secondary schools by organizing a course for specialist trainers in that field;

- Assistance will be given in renovating university libraries and supplying them with the modern reference materials of which they have been deprived since the early 1990s, in particular those libraries which were destroyed and looted as a result of the war and other acts of vandalism, by organizing an Arab campaign for that purpose in conjunction and coordination with Arab Ministries of Higher Education and Scientific Research and Arab universities.

III. Antiquities and the cultural heritage

- Expert assistance will be provided in order to make an inventory of the antiquities missing from museums, storage facilities and ancient sites;

- Expert assistance will be provided in order to assess the damage to ancient monuments and sites;

- Work will be carried out in conjunction with ICCROM in Rome in order to preserve cultural property and get the restoration workshops in the Baghdad Museum up and running again by providing equipment, apparatus and materials and retraining those who work in the Museum (training courses will be organized in Rome or in-house).

Accept, Sir, the assurance of my highest consideration.

(Signed) Dr. Al-Munji **Bosnina**
Director-General

6. ACSAD

No.: 1717/SFQ
Date: 15 December 2003
Fax: 00202 5779546 – Cairo

The Arab Centre for the Studies of Arid Zones and Dry Lands (ACSAD) presents its compliments to the General Secretariat of the League of Arab States and has the honour to refer to letter No. 623/1 of 6 November 2003 from the Secretary-General inviting participation in the second meeting of Arab organizations and funds concerning support for Iraq and assistance in its reconstruction, to be held on 6 November 2003 in Amman, Jordan, and the submission of ACSAD proposals on ways in which it might help in supporting the Iraqi people.

ACSAD would like to thank the Secretary-General for this kind invitation and is pleased to inform him that it is ready to make a serious contribution in the various activities relevant to its tasks in accordance with the priorities and proposals specified by the Iraqi side, particularly in the fields of activity previously mentioned in an earlier note No. 381/SFQ, transmitted to the General Secretariat on 30 April 2003, in the event that the necessary funding is available. These fields of activity are as follows:

1. Study on the present situation of the agriculture and water sectors;

2. Creation of a soil and terrain database in accordance with the SOTER system and production of a map showing land use in the Republic of Iraq;

3. Production of a map showing land degradation in the Republic of Iraq and establishment of pilot desertification control zone;

4. Creation of an integrated database of water resources in the Republic of Iraq;

5. Restoration and restocking of destroyed fruit tree nurseries;

6. Restocking of date palms in areas where they have been destroyed;

7. Rehabilitation of degraded natural grazing land;

8. Rehabilitation of crop breeding programmes (wheat and barley);

9. A survey of Iraq's livestock resources in the post-war period;

10. Human resource development in the agriculture and water sectors.

ACSAD takes this opportunity to convey to the General Secretariat the assurances of its highest consideration.

(Signatures)

Note

Suggestions by ACSAD for providing support and assistance to the Republic of Iraq in the post-war period

1. Introduction

1.1 An introduction to ACSAD

ACSAD was founded in 1971 as a specialized regional organization operating under the aegis of the League of Arab States. Its headquarters is in Damascus. ACSAD has a General Assembly made up of the Ministers of Agriculture of its Arab Members, an Executive Council made up of seven Arab Ministers of Agriculture representing seven Arab States, and a Director-General who is appointed by the General Assembly.

ACSAD's field of activity is the semi-arid regions and dry lands of the Arab world, and its mission is to conduct research and studies to obtain practical scientific data that can be used to develop those lands—which account for approximately 90 per cent of the total land area of the Arab countries—to optimal advantage. ACSAD concentrates primarily on the natural resources of those lands, which promise to guarantee the food security of the Arab countries. Since its establishment, ACSAD has set up the infrastructure it needs to carry out its activities: a headquarters, research stations, training centres, analysis, remote-sensing and cartography laboratories, a central herbarium and a fruit-tree cultivation station. In developing this infrastructure, ACSAD has applied state-of-the-art technological methods, notably remote- sensing technology, geodata systems, mathematical modelling and databanks. It has recruited leading Arab experts, who have made outstanding contributions to the research and practical work conducted at ACSAD on the natural resources of semi-arid regions and dry lands, particularly in the fields of water, land, natural plant cover and animal productivity.

Over the past three decades, ACSAD has implemented a wealth of programmes and activities and conducted many studies and research projects in its various areas of activity, including the conservation and rational use of natural agricultural resources (water, soil and plant cover), means of protecting them from contamination and erosion, traditional means of upgrading them by the judicious use of crops and livestock that are suitable for dry lands in the Arab countries, combating desertification and the rehabilitation of desertified lands, environmental conservation and the preservation of biodiversity, and the training of Arab technical personnel. ACSAD, as a recognized centre of excellence, co-operates with Arab and international organizations and technical cooperation agencies in the developed countries, including ARADO, ALECSO, the International Centre for Agricultural Research in Dry Areas (ICARDA), the United Nations Environment Programme (UNEP), UNDP, the Food and Agricultural Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), IDB, AFESD, the German technical cooperation agency GTZ, the Federal Institute for Geosciences and Natural Resources (BGR), and others.

Because of the expertise and wealth of data at ACSAD's disposal in the field of desertification monitoring and control, environmental conservation and the preservation of biodiversity, the League of Arab States has entrusted it with responsibility for follow-up, coordination and planning in all matters relating to the United Nations Convention to Combat Desertification and the International

Convention on Biodiversity. ACSAD's status was further strengthened when it became one of seven Arab specialized organizations which were spared following a comprehensive assessment of all Arab organizations by the Economic and Social Council of the League of Arab States.

1.2 Cooperation between the Republic of Iraq and ACSAD before the war

Iraq is a founding member of ACSAD, which has a long history of fruitful, successful cooperation with Iraq, as represented by the country's Ministry of Agriculture and its research and development bodies, and also with the Ministry of Irrigation, which continued without a break from ACSAD's founding until shortly before the outbreak of war in March-April 2003. That cooperation took the form of numerous activities in various fields, including, the following:

Lands and water use:

- The use of saline water in agriculture;
- Training for Iraqi technicians in the use of remote-sensing techniques for monitoring and combating desertification, and in the technique of building a soil and terrain databank using the SOTER system. Equipment for the establishment of a remote-sensing laboratory was subsequently supplied;
- A national workshop on supplementary irrigation;
- An evaluation of the trickle irrigation system for the Iraqi Ministry of Agriculture in the context of a project on the use of saline water on the upper Euphrates.

Plant studies:

- Cooperation with the Abu Ghraib Centre and the Iba Centre in conducting experiments aimed at determining the productivity of ACSAD-developed varieties of hard and soft wheat and barley, with a view to testing and selecting varieties that are suited to local conditions and to supplying Iraq with limited quantities of cultivated seeds of ACSAD-developed varieties of wheat and barley. Cooperation continues in this field;
- Action to provide Iraq, as represented by the Ministry of Agriculture and the Horticulture and Forestry Corporation, with certified sources of olives, Aleppo pistachios, almonds and figs. Studies on the development of the culture of fruit trees in selected areas;
- Action to provide Iraq, on a regular yearly basis, with advanced varieties of wheat and barley and F2 and F3 generations isolated at the Iba and Abu Ghraib Centres;
- Evaluation of ACSAD-developed varieties of wheat and barley that have been selected for resistance to salinity, drought and diseases under local conditions. This project was initiated in 1996 and is still ongoing;
- A study on the development and evolution of border-straddling areas of pasturage;
- ACSAD contributed to the establishment of the Regional Forage Research Station for well-watered areas;

- Exchanges of forage plant genetic material and suitability trials with pioneering strains introduced into the local environment.

Water studies:

- Preparation of a special report on the Gulf States and Arabian Peninsula Standardized Reporting Form Project, in which Iraq was a participant (ACSAD, publication T/46-1984). The project was aimed at developing standardized climatological and hydrological data reporting forms for use in all the countries involved. The report was discussed and adopted at a meeting held in Kuwait in 1982;

- Preparation of a country report on the Republic of Iraq containing a comprehensive inventory of all water-related technology used in that country (ACSAD, publication T/34-1983, entitled Iraqi water technology) and suggestions for its development and renovation;

- In cooperation with the competent water authorities in Syria, Iraq and Lebanon, ACSAD prepared part of sheet F-6 of the International Hydrological Chart, which covers parts of the above-mentioned States;

- ACSAD prepared the sheet covering Baghdad, on a scale of 1:100,000, as its contribution to a 1984 aerial photography project aimed at mapping the geographic distribution of the Arab world's surface and ground water resources. The sheet in question was edited by a scientist from the Republic of Iraq;

- In the context of a 1990 hydrological mapping project covering the Arab world and neighbouring regions on a scale of 1:500,000, ACSAD prepared the section covering Iraq, accompanied by a supplementary note;

- In 2001, ACSAD prepared a comprehensive study of surface water resources in the Tigris and Euphrates basins, in cooperation and full coordination with the water management authorities in Syria and Iraq;

- ACSAD prepared an integrated development map for the Tharthar Basin Authority in Iraq.

Livestock studies:

a. Genetic improvement of sheep and goats:

In 1973, ACSAD began work on a project aimed at enhanced meat production and a greater incidence of twin births, in cooperation with the Iraqi Ministry of Agriculture. ACSAD had prepared the initial work plan for the project and had provided some of the facilities and equipment required for its implementation.

ACSAD supplied Iraq with a number of genetically improved sheep and goats and a number of purebred rams for use in a cross-breeding programme.

b. Camels in the Arab world:

In 1980, ACSAD and ARADO joined forces to conduct a study on the potential represented by camels in the Arab world and ways of developing that potential. The study looked at camel production in Iraq, areas in which camels are used, problems associated with the development of this livestock resource, and approaches to upgrading its productivity.

c. Information on breeds of sheep in Iraq:

The aim of this project was to assemble all available information about the breeds of sheep raised in Iraq: importance, areas where kept, conformation characteristics, production record, determination of their latent production potential, and means of upgrading them. This study was published in 1981.

d. Inventory and evaluation of forage sources in Iraq:

The aims of this project were to survey traditional and non-traditional sources of forage crops, meet present and estimated future livestock feed requirements, identify major obstacles to forage crop production and suggest ways of enhancing it. This study was published in 1981.

e. Information on Iraq's livestock resources:

The aim of this project was to conduct a survey of the country's livestock resources and production and to assemble all available information about all breeds and strains of livestock kept throughout Iraq: importance, areas where kept, production systems, conformation characteristics, production record, identification of major obstacles to the development of Iraq's livestock resources and general approaches to developing them. This study was published in 1983.

f. Forage research and development network:

The aim of this project was to upgrade forage production capability through modernization of forage crop sources in the Republic of Iraq. This study was published in 1997.

Integrated development studies:

An integrated technical study on the economics of the natural agricultural resources, human resources and livestock of the Iraqi part of the Hamad basin. This study was part of the Hamad Basin Project, which was conducted jointly with Syria, Jordan and Saudi Arabia and was executed by ACSAD between 1979 and 1982. The region had been selected for a series of pilot investment and development programmes. The complete study comprises 50 parts.

Training:

Experts and senior technicians from Iraq have participated in scientific meetings and training courses organized by ACSAD in its various areas of activity. In addition, ACSAD has provided many services for students attending Iraqi universities and Iraqi research scientists in the form of reference materials, which ACSAD supplies through its library or via the Internet.

2. Proposals for projects and activities that ACSAD might implement after the war

In the context of Arab action to address the disasters that have afflicted Iraq as a result of military action, with the various Arab specialized organizations under the aegis of the League of Arab States contributing to the task of rebuilding the country, we offer herewith a number of proposals for projects in ACSAD's areas of activity that the Centre might implement with a view to supporting sustainable agricultural development in Iraq. The titles and estimated costs of these projects are shown in the table below, and some details are given in the following pages.

Table showing proposals for projects in Iraq suitable for implementation by ACSAD during the post-war period

Project	*Costs (US$)*
1.Study on the present situation of the agriculture and water sectors	7.000.000
2. Creation of a soil and terrain databank in accordance with the SOTER system. Production of a map showing land use in the Republic of Iraq	2.000.000
3. Production of a map showing soil degradation in the Republic of Iraq,and establishment of a pilot desertification control region	4.000.000
4. Creation of an integrated database of water resources in the Republic of Iraq	300.000
5. Restoration and restocking of destroyed fruit tree nurseries	300.000 per nursery
6. Restocking of date palms in areas where they have been destroyed	350.000
7. Rehabilitation of degraded natural grazing land	200.000 per 4.000 ha
8. Rehabilitation of crop breeding programmes (wheat and barley)	3.000.000
9. A survey of Iraq's livestock resources in the post-war period	Will be estimated from survey results
10. Human resource development in the irrigation and agriculture sectors	US$ 100 per trainee (in-country training) US$ 150 per trainee (out-of-country training), exclusive of air travel tickets

Proposed project for a study of the present situation in the agriculture and water management sectors in the Republic of Iraq in the post-war period

Justification:

It is clear that the infrastructure and facilities of the agriculture and water sectors in the Republic of Iraq have been extensively damaged or destroyed entirely or in part, in all parts of the country as a result of the military operations of March and April 2003. Those operations have contributed to the creation of numerous obstacles to sustainable agricultural development in Iraq:

- Part of the infrastructure of the agriculture and water management sectors has been destroyed;
- Facilities relating to agricultural and environmental development and water development and management have also been destroyed;
- Development plans for the agriculture, environment and water management sectors are at a standstill, as are plans for the development of agricultural

projects, research projects, agricultural extension projects and semi-arid land development projects;

- Data and documentation relating to Iraq's natural resource inventory have been irretrievably lost, including data on both land and water, as well as land-use maps;

- Equipment, software and libraries have all been lost, notably those relating to agricultural research and extension centres and laboratories;

- Iraq's trained human resources have been dispersed, and some of them may be permanently lost to the country.

Accordingly, it is essential for the scientific and technical capacities, institutions and structures of Iraq's agriculture and irrigation sectors to be rehabilitated and rebuilt on objective bases, for the sake of the stability and development of the country's agriculture, including both crops and livestock, and related institutions and facilities.

This task will necessitate the participation of centres of excellence that will be able to help the competent authorities in Iraq get the agriculture and irrigation sectors restarted. Ever since ACSAD was founded in 1971, it has contributed to agricultural development in the Arab countries, including Iraq. Now, as always, ACSAD is in a position to contribute effectively to the reconstruction of these two important sectors within a context of sustainable development.

Project main goal:

Rehabilitation of Iraq's agricultural development capacities on a sustainable basis by means of a study on the present situation of the agriculture sector (including both crops and livestock) and the water management sector, both of which have sustained extensive destruction as a result of the war. The findings of the study will be used as a guide to conceptualization of the main lines of an agricultural development strategy and short- and medium-term development plans, including a number of integrated agricultural policies, projects and activities for the rehabilitation of these two sectors in terms of their human, material and technical resources and facilities. The plans will also cover implementation requirements and estimates of the associated costs.

Objectives:

The aim of this study will be the creation of a broad, integrated database that will be a useful tool for the following purposes:

- Rehabilitation of Iraq's institutional capacities and reconstruction of laboratories specializing in plant, water and soil analyses and equipped with state-of-the-art technological applications, including remote-sensing and geographic information systems; creation and development of spatial and non-spatial databases in accordance with modern systems and methods, the said databases to be interlinked into integrated management systems;

- Implementation of programmes for a new inventory of Iraq's natural resources (soil, water and the environment);

- Creation and development of local and non-local databases for Iraq's natural land, water and environmental resources and arable land, using a working methodology based on internationally applied standards and criteria;
- Production of phytoecological and land-use maps at appropriate scales for high-priority regions, to be characterized by maximal precision and accuracy, with application of state-of-the-art remote-sensing and geographic information system technologies;
- Production of maps showing land degradation;
- Identification of obstacles to sustainable agricultural development in the regions under study, and recommendations for sustainable management systems;
- Identification of some degraded regions with a view to developing pilot projects aimed at the rehabilitation of those regions;
- Skills development and training for the senior Iraqi personnel who will be required for the implementation and management of the above-mentioned projects.

Location: All parts of Iraq

Time frame: Two years.

Activities:

Study on land resources

Study on water resources

Study on plant cover (including plant cover in areas of pasturage, fruit trees and forest)

Study on Iraq's livestock

Study on economic and social aspects of relevance for the agricultural sector

Study on relevant institutions

The above-mentioned studies will be conducted by a number of specialized teams, each of which will be made up of qualified experts. The teams will require transport, equipment, facilities and supplies in order to perform their work.

Total estimated cost:

The total estimated cost of these projects amounts to approximately US$ 7 million, including the experts' fees and salaries and all equipment, facilities, transport and supplies.

Project for the creation of a soil and terrain database in accordance with the SOTER system. Production of a map showing land use in the Republic of Iraq

Background and justification:

A database is an essential feature of many stages in natural resource evaluation, study, planning and investment, inasmuch as it contributes extensively to

optimal natural resource development, affording as it does a means of achieving sustainable development and meeting social needs while maintaining the natural environmental balance.

The availability of fundamental data on land resources appears as a major natural resource in its own right, one that serves the ends of agricultural development. Furthermore, a good database facilitates exchanges of land-use data between technical experts, thereby enabling all of them to use the data in question to full advantage. There are many studies on the soils of Iraq available, covering most of the country, and a mass of supporting data is available as well, and it is extremely useful for all this information on soil and terrain to be put together in the SOTER (soil and terrain digital database) system. SOTER is a system that is used throughout the world to merge a variety of systems into one, and this greatly facilitates interaction among technical experts.

The task of preparing a map showing current land-use patterns in Iraq is one of the utmost importance as a guide to investigating the present utilization situation and revealing sites calling for research and areas of injudicious utilization.

The objectives of this project may be summed up as follows:

1. To assemble studies and maps relating to land, extracting all available data from them, and putting those data in programmable form. This task will lead to all the data being put into a single unified system that will facilitate interaction among technicians and enable them to use the data to optimal advantage;

2. To create a computerized database that will be able to provide the data needed for the preparation of development plans;

3. To use programme applications by tying them in with the database in order to obtain important indicators that will contribute to some extent to the task of making appropriate utilization decisions. These programmes include a land evaluation programme, a water erosion programme, a climate programme, and others;

4. To produce a number of maps that will provide great quantities of data for use in natural resource use planning;

5. To acquire a means of updating data whenever additional information becomes available;

6. To train senior Iraqi personnel in the field of database production and utilization.

Activities:

- Phase I: Assessment of the present land-use situation in Iraq, assembling all data, studies and maps available in the country, extracting all necessary information, transferring it to forms, and organizing a training session for senior Iraqi technical personnel.

- Phase II: Filling in any gaps in the data.

- Phase III: Entering the data into the computer programme and preparing the SOTER map by means of a geographic information system.

- Phase IV: Applying the SOTER-linked programmes by means of a geographic information system, a land evaluation programme, a water erosion programme, a climate programme, and various other dedicated maps if required (relief map, geological map, water erosion map, and so on).

- Phase V: Obtaining, processing and interpreting space photographs on a scale of 1:500,000, defining the various units, and using the database to prepare a land-use map.

Anticipated outcomes:

- Creation of a digital soil and terrain database that will be usable for purposes of sustainable agricultural development;

- Production of a number of dedicated maps that will contribute to the optimal utilization of Iraq's land resources;

- Capacity-building for Iraqi managerial personnel;

- Production of a land-use map showing the current utilization of the country's land resources, which will serve as a tool for determining whether those resources are being judiciously or injudiciously used;

- Incorporation of all available studies and research on the lands of Iraq into a single unified system from which all concerned will be able to benefit, even though they may belong to different schools.

Project time frame: Five years

Estimated costs: US$ 2 million

Project for the production of a map showing soil degradation in the Republic of Iraq, and establishment of a pilot desertification control region

Background and justification:

Apart from the devastation resulting from military action, a close analysis of desertification in Iraq reveals that the phenomenon is spreading in numerous forms in various different environments as a result of human mismanagement of the country's natural resources. It is also clear that drought has played an ancillary role in fostering the spread of desertification in semi-arid regions bordering on true deserts. The causes of desertification may be summarized as follows:

- Destruction of arable land and grazing land as a result of military action;

- Cultivation of land that is suitable only for grazing, the phenomenon of firewood-gathering, with the uprooting of shrubs and bushes usable as livestock browse, overgrazing and transhumance;

- Mismanagement of arable land with resultant denudation and wind and water erosion, salinization, and contamination resulting from the injudicious use of chemical pesticides and fertilizers;

- Poor cultivation practices that foster soil degradation, such as ploughing across contours instead of along them and deep ploughing on slopes, which causes desiccation of the root zone and prevents plants from taking full advantage of ground moisture;

- Mismanagement of water resources, such as depleting underground aquifers;

- Inappropriate irrigation practices that are accompanied by negative impacts in some areas, leading on occasion to such phenomena as salinization, alkalinization or saturation;

- Inadequate water resources and wasteful water use practices, which rank among the main causes of desertification.

Overall objectives:

- Rectification of the situation as regards utilization of the natural resources of semi-arid regions of Iraq, including soil, water, natural plant cover and livestock, with a view to preserving, insofar as possible, the fragile environmental balance among those resources; to that end, identification of alternative land-use patterns and discouragement of practices tending to cause soil degradation;

- Development of a comprehensive strategy for combating desertification in Iraq, based primarily on appropriate solutions and techniques identified in the pilot region; this task will be accomplished jointly by ACSAD and the relevant institutions, working in partnership with local residents;

- Enhancement of local residents' living conditions by enabling them to earn cash income on an ongoing basis;

- Assistance for the Iraqi effort to achieve food security through the rehabilitation of degraded areas and enhancement of the productivity of grazing land, and consequently that of the livestock kept there;

- Upgrading of the capacities of senior Iraqi technical experts working in the field of desertification control, soil conservation and plant cover rehabilitation;

- Environmental conservation and protection;

- Training for senior Iraqi personnel in the production of land degradation maps on various scales by means of modern remote-sensing and geographic information system technologies, and conducting field missions to verify the accuracy of the maps so produced.

Immediate objectives:

- Development and implementation of plans and programmes on combating desertification and the rehabilitation of degraded areas at specific locations (pilot areas) in semi-arid regions of Iraq, based on analysis and monitoring of the desertification phenomenon at those locations, and subsequent adaptation of the programmes in question at other sites at risk of desertification. National desertification control maps will be used in this connection, and the work will be integrated with similar projects currently under way;

- Action to enhance local residents' awareness of the hazards of injudicious use of the resources of semi-arid regions and desertification, use of such information media as are available, including a documentary film for every pilot area;

- Training for technical personnel working in the field of desertification control, soil conservation and plant cover rehabilitation;

- Encouragement for regional and international organizations, donor agencies and the Secretariat of the United Nations Convention to Combat Desertification to participate in providing all necessary assistance, expertise and grants in the effort to combat desertification;

- Identification of hot degraded regions that are in need of rehabilitation.

Project time frame: Five years.

Activities:

- Production of a map showing land degradation in Iraq, on a scale of 1:23,000;

- Application of desertification control techniques and rehabilitation of degraded land and plant cover, in cooperation with national institutions and local residents, using remote-sensing and geographic information system technologies, and subsequent field verification activities;

- Application of techniques for storing rainwater and runoff water, and investigation of a technique for artificially recharging aquifers in promising areas;

- Development of integrated drainage basin management and utilization methods in affected or threatened areas;

- Organization of grazing and periodic grazing practices, and identification of transhumance routes and frequency of utilization;

- Development of traditional production systems, including grazing practices, stockbreeding practices, feeding practices, veterinary care practices and transhumance management practices;

- Study and evaluation of the effects of activities and policies that have been applied in the past, especially as regards their economic and social aspects;

- Creation of a database on activities, measures and outcomes with a view to extending them to other similar regions;

- Selection of an area of degraded grazing land, between 1,000 and 2,000 hectares in extent, for the application of rehabilitation measures as a pilot project;

- Delivery of a training programme for members of relevant Iraqi teams and technical personnel, with a view to upgrading participants' skills and developing unified desertification monitoring and control methods and systems;

- Informational activities of various kinds, involving different media (print and audio-visual), such as printed brochures and periodicals and radio and television broadcasts, designed to shed light on the importance of soil conservation, the rational use of natural resources and the rehabilitation of degraded land, with a view to conveying a fuller understanding of this project among the Iraqi public and enabling people to grasp what is actually happening to the land, in the expectation that they will be able to adapt to future changes resulting from measures taken in the context of the project. Our hope is that we shall thereby generate a sort of positive catalytic effect that will make people more involved with the issues confronting them.

Anticipated outcomes:

- Production of a map showing areas of degraded land in Iraq (desertification in the Republic of Iraq), which will indicate the various causative factors, the severity of degradation, and hotspots requiring immediate treatment;
- Determination of appropriate methods and techniques for desertification monitoring in semi-arid regions, featuring the application of modern technologies;
- Production of a series of relevant dedicated maps (soil degradation, plant cover, hydrology, biology and so on), relying for that purpose on data analysis and evaluation and space photography;
- Adoption and enhancement of traditional methods for the rehabilitation of degraded soil, plant cover and grazing land, supplemented by modern methods and techniques;
- Upgrading and rationalization of the utilization of available water resources;
- Development of pilot grazing land sites, and stocking them with breeding units of important species of grazing animals;
- Upgrading of the productivity of Iraq's livestock, with resultant better returns to the breeder and greater grazing land productivity, generating adequate supplies of forage;
- Development of a short- and long-term strategy for combating desertification, to be integrated into Iraq's comprehensive national development plans and policies;
- Activation of public participation in and enhancement of local people's awareness of the effort to combat desertification, rehabilitate degraded soils and plant cover, and achieve rational utilization of water resources and livestock;
- Development of a quality database on natural resources in Iraq;
- Training a core of Iraqi senior technical personnel, equipping them with specialized skills in the rehabilitation of desertified semi-arid land and enabling them to disseminate degraded land rehabilitation techniques;
- Environmental protection and conservation, minimization of desertification risks, and action to help conserve biodiversity.

Estimated budget: Approximately US$ 4 million

Project for the creation of an integrated database of water resources in the Republic of Iraq

Justification:

Iraq has been experiencing a very difficult situation for some years now. During the period of the sanctions regime, there was no possibility of bringing in scientific and technological innovations. The recent war has now destroyed what was left of the country's scientific infrastructure in the area of water-related institutions, notably the Ministry of Irrigation. Consequently, it is urgently necessary to build a modern, state-of-the-art water resource database, relying for

that purpose on the most modern systems now available. Such a database will be a highly useful tool for the storage and management of water-related information, and also for the use of that information for purposes of research and studies on water; it will contribute to the task of protecting Iraq's water resources from depletion and contamination while meeting the country's growing need for water for industry, agriculture and human consumption.

Objectives:

Modernization of the data structure in the Ministry of Irrigation's water management institutions, and inputting its data and information into an integrated water resources database.

Components and activities:

- A study on the current situation of institutions concerned with water resources in Iraq and their working tools, and an evaluation of the data and information available to them;
- Distribution of the data system to match the distribution of drainage basins in Iraq and the quality and volume of data available;
- Digitization of topographic maps for the production of a topographic base chart;
- Preparation of forms containing information on Iraq's surface and groundwater resources, including quality, utilization, quantitative and qualitative monitoring, and the like;
- Preparation of documentation forms for reports and studies;
- Completion of forms using available data (a limited number of forms for trials with the system);
- Creation of a database and systems for data input, search and retrieval;
- Linking the database with data representation systems;
- Linking the database with a geographic information system to generate images of water resources for various purposes;
- Training in the use of the system.

Time frame for implementation: 18 months

Anticipated outcomes:

Creation of the above-mentioned database as a platform and starting point for the documenting and processing of all available data and information on water resources in Iraq, and also the documenting and processing of available reports and studies on those resources.

Total cost: US$ 300,000

This figure includes technical experts, equipment, computers, data systems and training.

Project for the post-war restoration and restocking of destroyed fruit tree nurseries

Background and justification:

Fruit tree cultivation is widespread in Iraq; it is carried on in a number of widely varying environments. However, despite the fact that the climate is suitable for many different kinds of fruit and many different varieties, which are grown in abundance and are of excellent quality, this sector is confronted with numerous problems because of the difficult circumstances in which Iraq finds itself, beginning with the long period of sanctions and ending with the recent military action, which has resulted in the ruin or destruction of many fruit tree production centres and nurseries.

Fruit production is an important activity in Iraq. It has long played an effective role in enabling growers to remain on their land while earning a good income. As a result of the present difficult circumstances, however, and the adverse impact they have had, immediate action to revitalize and develop the fruit production sector is now required in order increase growers' income, raise their standard of living and encourage them to remain on the land. In the interests of Iraq's food security, food production must be increased, and to that end it is essential to preserve the country's reliable stocks of fruit trees, with their outstanding characteristics in terms of varieties, origins and local adaptation. Accordingly, existing nurseries specializing in fruit tree production must be rehabilitated and new ones established, distributed throughout most regions of Iraq, as a means of restoring fruit production in areas where it has been destroyed and expanding it elsewhere, using selected stocks and varieties that have been certified by qualified experts.

Objectives:

Rehabilitation of the fruit production sector in Iraq and developing it with a view to both local consumption and export.

Project time frame: Four years

Activities and components:

The project will seek to attain its objectives through the execution of the following activities:

- Identification of stocks, varieties and strains that are of economic importance and adapted to Iraqi environments, with a view to the establishment of plantations at or near the sites of nurseries, to supply the latter with plant material;

- Rehabilitation of destroyed nurseries and replacement of their equipment and facilities, and establishment of new nurseries, each to be between 10 and 12 hectares in extent;

- Production of scions, seedlings and young trees grown on suitable rootstocks, all certified disease-free, and making them available to growers in adequate quantities at reasonable prices;

- Establishment of parent stock plantations of desirable varieties and strains of fruit trees, certified as a source of scions, having as their function to supply nurseries with genetic material adapted to the region where the fruit trees will be grown;

- Introduction of modern technology into seedling production as a means of expanding fruit tree cultivation;
- Providing the expertise required to support fruit tree research and extension activities with a view to the introduction of new varieties and stocks of various kinds suited to conditions in Iraq, and taking advantage of traditional local sources in developing the fruit cultivation sector;
- Establishing greenhouses for the propagation of seedlings;
- Increasing the area of land planted with good quality, appropriate, high-yielding tree varieties;
- Raising yields and therefore increasing growers' incomes and raising their living standards;
- Growers who can live securely on their land, producing enough for their own needs and an exportable surplus;
- Establishment of pilot plantations on growers' land.

Anticipated outcomes:

- Establishment of fruit tree nurseries and parent stock plantations that will provide a solid basis and a nucleus for the further expansion of fruit tree cultivation in Iraq;
- Creation of a database on local and imported fruit tree genetic material in a number of plant environments, which will yield knowledge of the identity of every stock and variety involved, and hence will help expand fruit tree cultivation;
- A scientific inventory of local plant material with a large and varied genetic heritage; this will protect the varieties involved from extinction and will be a useful genetic improvement tool;
- Supplies of plant material adapted to environmental conditions in Iraq;
- Enhancement of environmental conditions through rehabilitation of the plant cover, in the form of fruit trees, which will help check desertification;
- Provision of expertise, training for specialized technical personnel and the propagation of knowledge;
- Improved living standards and more income for Iraqi growers;
- Supplies of genetically excellent seedlings for reforestation projects in Iraq.

Total estimated cost:

The sum required to implement the work on this project is estimated at an average of US$ 500 000 per nursery.

Project for the restocking of date palms in areas where they have been destroyed

Background and justification:

In historical terms, the date palm is one of the oldest types of fruit tree known to man. The date harvest is of strategic importance to North Africa and the Middle East. The date palm is thought to have originated in the Arab world and to have

spread from there to other regions. It has clearly affected the way human beings live. It is a fruit tree, of course, one that yields a high-quality food and provides growers with a good living, but it is distinguished by the fact that it flourishes in dry and semi-arid environments in which almost no other type of fruit tree can be grown successfully. Date palms provide shade and shelter from heat and dry winds for many other food crops, forage crops and trees, and in addition they stabilize sand dunes and check desertification. Moreover, dates are in growing demand in both local and export markets, and this has endowed the date palm with great economic importance in the Arab region.

Many of Iraq's date palm plantations have been destroyed or extensively damaged as a result of the hardships that the country has had to endure in recent years. In particular, large areas of date palms were wiped out by the military action of a few months ago. Immediate action to restock destroyed date palm plantations is urgently needed, with the aid of modern scientific methods and selected varieties.

Objectives:

- Arresting the deterioration that is occurring in plantations of date palms and has led to the disappearance of many outstanding varieties;
- Preservation of date production as a major natural resource of great economic importance, one that provides growers with substantial income;
- Higher living standards and increased income for growers, who will be able to make a living while remaining on their land;
- Propagation of desirable, high-yield varieties by means of tissue culture;
- Enhancement of the technical skills of persons working in the field of date production;
- Enhancement of date palm productivity, economic yield and product quality.

Project time frame: Three years

Activities and components:

- Preparation of an inventory of high-quality local varieties and strains that have stood the test of time;
- Establishment of parent stock plantations in which high-quality local and imported varieties will be grown as a basic source of genetic material for propagation purposes;
- Rehabilitation of destroyed land in preparation for restocking and cultivation;
- Supplies of high-quality date palm seedlings produced by means of tissue culture, as these are free of viral diseases and will grow quickly;
- Training for senior technical personnel in the cultivation and care of date palms.

Anticipated outcomes:

- Increases in date palm cultivation and date production;
- Higher living standards and increased income for growers;

- Enhancement of the economic yield of regions of date-palm cultivation as a result of the introduction of high-quality, productive varieties;

- Enhancement of the skills and technical expertise of persons working in the field of date production;

- Supplies of plant genetic material for the use of research centres;

- Enhancement of Iraq's research capacities.

Estimated total cost: US$ 350,000

Project for the rehabilitation of degraded natural grazing land

Justification:

- Degradation of the plant cover and declining productivity in a number of areas of grazing land in Iraq as a result of the war;

- Increased utilization pressure as a result of the fact that management was non-existent during the long period of sanctions against Iraq; this has led to qualitative deterioration of the plant cover over large areas;

- Natural grazing lands in Iraq formerly carried an abundance of varieties of plants that livestock used as forage; until recently, this enabled those lands to meet the needs of people who lived in semi-arid regions.

- There are a number of grazing-land stations in many regions which will be able to supply some of the items needed for rehabilitation.

Objectives:

- Rehabilitation of a 4,000-hectare area of natural grazing land as a pilot zone that will contribute to support for rehabilitation techniques and their extension to other regions;

- Return of degraded regions to an effective production cycle;

- Support for grazing-land stations in the form of the collection and production of local seeds which will be useful to the stations in question for purposes of their projects;

- Identification of suitable grazing land utilization and management practices;

- Training for local technical personnel to pursue development and rehabilitation work under other projects.

Components and activities:

1. Main project components:

An area of land approximately 4,000 hectares in extent, comprising two sites, each of 2,000 hectares.

2. Main activities:

2.1 Year 1:

- Identification of two sites, each approximately 2,000 hectares in extent, and selection of one of them for protection only in the light of the findings of surveys and evaluation of both sites;

- Enclosure of the two sites by suitable means (such as wire or ditches);

- Stocking and protection of the other 2,000-hectare site, planting seeds and seedlings in accordance with various techniques (strips, contours, drills, broadcast);

- Gathering of climatic data available at the site.

2.2 Years 2, 3, 4 and 5:

ACSAD will provide oversight and field follow-up with local technical personnel associated with the project as regards the following:

a. A survey, inventory and evaluation of plant cover in selected areas with a view to determination of the existing situation and possible conservation and development practices;

b. Yearly evaluation of the current situation on forms expressly prepared for the purpose;

c. Collection of seeds of important forage plants and implementation of a propagation programme;

d. Identification of utilization practices on these sites beginning in year 4;

e. Analysis of the results of field operations in years 2, 3, 4 and 5 and drafting of the final report.

Anticipated outcomes:

- Development and evolution of a pilot zone that will be used as a guide for measures in other regions;

- Collection and storage of important genetic sources of various species of promising forage plants;

- Support for restocking programmes implemented by the Ministry of Agriculture, in the form of appropriate technical expertise and substantial quantities of seeds of various appropriate species of forage plants;

- Protection, propagation and preservation of species in danger of extinction and introduced species;

- Greater economic returns from livestock production for local residents.

Total estimated cost: US$ 200,000 for a 4,000-hectare site.

Project for the rehabilitation of crop production programmes (wheat and barley)

Justification:

- Rehabilitation of wheat and barley production programmes following the loss of genetic material as a result of military action, which destroyed the research stations where the programmes in question were conducted;

- It is urgently necessary to introduce new varieties and state-of-the-art agricultural technology in order to upgrade seed productivity in general and that of wheat and barley in particular;

- Deterioration of infrastructure at research stations where crop production programmes were conducted.

Objectives:

- Support for seed production programmes in Iraq by supplying high-quality genetic material in the form of promising strains or isolated stocks developed at ACSAD and other institutions to offset the abandonment of programmes aimed at meeting local needs;
- Provision of improved varieties and strains that can withstand drought, salinity and other environmental and biological stresses, to replace degraded local varieties;
- Rehabilitation of physiological research laboratories that support production programmes;
- Upgrading of the skills of local technical specialists in the field of the production of field crops for resistance to various stresses.

Components and activities:

- Delivery of an integrated production programme aimed at developing high-quality varieties and strains of wheat and barley that display high productivity and good quality characteristics and are acclimatized to local environments (one programme for each designated climate zone);
- Collection and characterization of local genetic material with a view to enlarging the gene pool for use in genetic improvement programmes;
- Provision of equipment for laboratories in which plant production programmes are prepared, and remedying unsatisfactory aspects of the way major trials in support of plant production programmes are conducted;
- Training and theoretical and practical skills upgrading for Iraqi technical specialists.

Anticipated outcomes

- Enhanced crop seed (wheat and barley) productivity, especially in semi-arid regions and dry lands, through supplies of improved varieties and the use of modern agricultural methods and technologies;
- An end to imports and the achievement of self-sufficiency in seeds and derived products;
- Productive use of salinized land or saline water through supplies of salt-resistant varieties.

Total estimated cost: US$ 3 million in the first year and US$ 500,000 per year thereafter for training programme follow-up.

Project for a survey of Iraq's livestock resources in the post-war period

It is clear that the infrastructure of the Ministry of Agriculture and Irrigation has been partly or entirely destroyed, including its regional Directorates and its research and production stations, the National Research Centre and the Colleges of Agriculture and Veterinary Medicine in various parts of the country, as a result of the military action mounted against Iraq in March and April.

Accordingly, Iraq needs to rebuild its scientific and technical capacities and its agricultural structure and facilities on new bases that will promote sound

development of both crop and livestock production in the country, leading to enhanced productivity and production for world markets.

This task calls for expertise and the ability to help the Iraqi authorities rehabilitate their agriculture sector. Ever since ACSAD was founded in 1971, it has contributed to agricultural development in the Arab countries, including Iraq. It is now well placed to contribute effectively to the rebuilding of the country's livestock production under a project for the development of its livestock and forage resources. The project will comprise a number of aspects:

1. Preparation of a general and operational plan for rebuilding the technical and scientific capacities of Iraqi managerial personnel working in the field of livestock production, animal health and forage resources and conducting the associated research activities in relevant official institutions in Iraq;

2. A survey covering the numbers, distribution, importance and genetic heritage of livestock resources in the various regions of Iraq, with recommendations for their development;

3. A survey of forage resources, with recommendations for the development of those resources in step with increasing livestock production;

4. A survey of research centres and stations dedicated to the breeding of sheep, goats, cattle, camels, poultry and horses, and animal health centres, with their associated laboratories and work facilities; the survey will also include a study of the rehabilitation and development needs of all the above, in accordance with Iraq's plan for the development of its livestock production sector;

5. Provision of adequate numbers of improved types of Arab horses, sheep, goats, camels, cattle and various species of poultry to get Iraq's research stations and centres up and running again, so that they are able to perform their function of developing the genetic make-up of the country's livestock, enhancing its per-unit productivity, and distributing improved stock to breeders;

6. Contributing to the implementation and oversight of the above-mentioned operations over a five-year period.

Estimated cost: The cost of delivering the constituent activities of this project will be estimated in the light of the survey findings.

Project for human resources development in the agriculture and water management sectors

Justification:

People may be the ultimate object of development, but they are also the only effective means of implementing development efforts. Consequently, it is essential for people to be trained and provided with skills, so that they can assimilate technology and become meaningful factors in attaining the objectives of sustainable development. Iraq has experienced severe difficulties: it was subjected to sanctions for over ten years, and was then the target of the recent military action. As a result, it has been unable to introduce scientific and technological innovations, while its technical experts in the agriculture and water sectors have been dispersed; indeed, many of them may be permanently lost to the country. Iraq is urgently in need of trained technical personnel in the two sectors just referred to.

One of the main components of ACSAD's working strategy is the transfer of knowledge and technology that is appropriate to the situation of the Arab countries, including Iraq, and this unquestionably applies to the professional development of the human beings working in the field of agriculture, the environment and water resources. Accordingly, ACSAD has established a number of specialized training facilities in the host State, which have trained thousands of technicians in various fields. It will be quite feasible to institute a broad-scale training programme for senior Iraqi technical personnel, operating along lines appropriate to the present situation in post-war Iraq. This would be a useful step toward attainment of the objectives of agricultural development and human resource skills and knowledge upgrading in various fields, as follows:

Training fields:

Land and water resource use:

- Using modern technology in desertification monitoring and control;
- Scheduling of irrigation and the use of trickle irrigation to deliver fertilizer, using modern irrigation methods;
- Using water of variable quality;
- Using modern technologies in surveying land resources and land resource use and producing dedicated maps;
- Producing soil degradation maps and estimating various states of degradation;
- Reclaiming land affected by salinization;
- Soil, water and plant analysis.

Water resources:

- Organizing monitoring networks and linking them with databases, and processing water resource monitoring data;
- Rainwater harvesting techniques;
- Mathematical modelling of ground and surface water;
- Production of graphics showing susceptibility of groundwater environments to pollution;
- Interpretation of environmental isotope data.

Livestock:

- Management of animal husbandry establishments;
- The genetic improvement of livestock;
- The establishment and use of livestock genetic improvement databases;
- Artificial insemination;
- Embryo transplantation;
- Camel production;
- Feeding livestock;

- Economic livestock feed formulations;
- Feeding grazing animals and estimating the livestock carrying capacity of natural grazing lands;
- Forage analysis;
- Forage manufacture and storage;
- Dairy product manufacture and marketing;
- Animal health care.

Rural women:

- Keeping sheep and goats;
- Keeping cattle;
- Keeping poultry and marketing poultry products;
- Dairy production and marketing dairy products;
- Making and marketing leather, hair and wool craft items.

Crop production:

- Growing grain crops (wheat and barley);
- Grain crop (wheat and barley) seed propagation;
- Transferring technology to farmers;
- The rehabilitation of degraded natural grazing lands and land utilization practices;
- The establishment and management of fruit tree nurseries;
- Restocking destroyed date palm plantations.

Estimated costs:

The cost of training one person in Iraq is US$ 100 per day. The cost of training one person outside Iraq is US$ 150 per day, exclusive of air travel tickets.

3. Projects and activities for implementation under agreements concluded before the war

In addition to the project proposals outlined above, which ACSAD is in a position to implement in Iraq, agreements for the implementation of a number of other projects and activities were concluded between the Ministry of Agriculture and ACSAD on the occasion of a visit by an ACSAD mission to Iraq from 1 to 4 December 2002. The projects in question are as follows:

- ACSAD support for research on fruit production by supplying the General Horticulture and Tree Crop Company with reliable genetic sources of some varieties of bananas, olives and Atlantic terebinth in the form of seeds and seedlings;
- Joint research programmes on breeding improved varieties of wheat and barley, reclaiming high-salinity soils, and using saline and waste water for agricultural purposes;

- Providing the Ministry with a groundwater monitoring database system;
- Training Iraqi technical personnel at ACSAD headquarters and in Baghdad in various fields relating to fruit tree cultivation, soil resource management, the use of mathematical models in water resource planning and management, geographic information systems and the like;
- Delivery of a programme aimed at upgrading Awasi sheep production and Syrian goat production in Iraq, under which ACSAD agreed to supply improved genetic material and training materials and equipment, and also to provide technical oversight;
- Participation by ACSAD in the implementation in Iraq of a development programme on "Water resource conservation and sustainable agriculture management in high-rainfall areas of Iraq". This programme was to have been implemented in cooperation with FAO in the context of the oil-for-food programme. ACSAD had indicated its interest in participating in this programme in a letter to the Iraqi Minister of Agriculture (No. 415/SFQ) dated 16 April 2003.

7. ALO

Our No.: TT/2359
Annexes:
Date: 9 December 2003

His Excellency Mr. Amre Moussa
Secretary-General of the League of Arab States
League of Arab States
Cairo

Sir,

With reference to your letter No. 623/1 of 6 November 2003, and further to our letter No. TT/242 of 24 April 2003 concerning proposals for providing support to the Iraqi people and assisting in the reconstruction of Iraq to be made by our Organization at the second meeting of Arab organizations and funds, to be held in Amman, Jordan, on 6 January 2004, I am pleased to reaffirm our earlier proposals in that connection, which are shown in the following table:

Total amounts required for support and to meet immediate and essential needs

Amount (US$)	*Activity*
1.000.000	Vocational training institutes and centres
2.4000.000	Institutions for rehabilitation of the disabled
250.000	Data and information centre
250.000	Labour management training and training for employers' and workers' organizations
3.900.000	Total (three million nine hundred thousand dollars)

We emphasize that these are important and essential projects for which special budgets must be prepared by Arab States and Arab donor organizations, as no

financial provision has been made for them in the approved budget of the Arab Labour Organization.

We appreciate your timely efforts to monitor the exceptional situation in Iraq and ask you to ensure the success of those efforts by strengthening the role of joint Arab action under your very able and efficient command.

Accept, Sir, the assurances of my highest consideration.

(Signed) Dr. Ibrahim **Quwaydir**
Director-General of the Arab Labour Organization

ALO proposals concerning possible immediate assistance to Iraq in the area of labour and worker issues

Following the extraordinary meeting with the Director-General of the League of Arab States on 20 April 2003, at which the participants considered what immediate assistance the Arab specialized organizations might make available to Iraq, we present below our views on action the ALO might be in a position to take as a contribution to the task of offsetting the heavy damage sustained by various public and private establishments in consequence of the aggression launched by the United States and the United Kingdom, the devastating effects of which are still being felt as this report is written.

1. Vocational training institutes

The Iraqi Ministry of Labour and Social Affairs formerly operated five vocational training institutes for specialists interested in conducting research on labour and worker skills development. Of these five institutes, two were located in Baghdad, while the other three were located in major Governorates (Basrah, Nineveh and Ta'mim).

As a result of the war, these institutes have been more than 75 per cent destroyed, along with their documents, facilities and equipment.

The task of getting these institutes up and running again and retraining their teaching staff will call for financial allocations for the purchase of supplies, equipment and training materials to replace those that have been destroyed. Furthermore, reinstatement of the country's commercial firms will require new, state-of-the-art equipment to replace the equipment that was formerly in use, and this will place an additional burden on the training institutes in order for them to meet the needs of the immediate future.

ALO will be able to contribute enough to make a useful start on the work of rehabilitating these institutes on a temporary basis, with direct support in the amount of US$ 200,000 for each of them. This will cover basic maintenance expenses and the cost of repairing damaged equipment and replacing destroyed equipment.

2. Institutes and centres for rehabilitation of the disabled

There are 24 of these centres in Baghdad and elsewhere in the country, including institutes for the deaf and dumb, blind and physically disabled, as well as those for persons with motor disabilities and the emotionally disturbed. These centres have sustained fully as much damage and devastation as the vocational training institutes, and consequently they are in urgent need of financial assistance for the purchase of supplies, equipment and essential materials that will enable them

to carry out their humanitarian mission. We may note, in addition, that the centres, in their present reduced state, are confronted with a greatly expanded clientele as a result of the war that the United States and the United Kingdom launched against Iraq: the weapons used in that war have left many people with disabilities of all kinds.

In this situation, we propose to provide immediate support in the amount of US$ 100,000 for each centre, to enable them to resume their work, albeit at a minimal level.

3. Coping with unemployment

As a result of the sanctions that were imposed on Iraq for over 12 years, combined with the impact of the United States and United Kingdom aggression, the problem of unemployment has greatly increased. No statistics or indicators on the labour market situation in Iraq are currently available, and consequently it is essential to establish a data and information centre to monitor unemployment, develop labour market indicators and identify training needs. The task of getting such a centre up and running would require an initial US$ 250,000. This amount would be enough to enable the centre to make a useful contribution to labour market organizational planning, and to the work of orienting labour researchers and directing them to the various institutes and centres providing training and professional qualifications.

In the view of ALO, it is essential to provide the forms of assistance listed below to all social partners in Iraq, including labour management organizations, employers' organizations and workers' organizations:

1. Full documentation relating to Arab and international labour standards;

2. Assistance for the reconstitution of archives at institutions whose archives have been destroyed, both in Baghdad Governorate and in the country's other governorates. This assistance should include computer equipment and training in its use;

3. Training courses for persons working in the field of labour management and union organization, the participants to be supplied with Arab and international legislation and basic systems regulating the work of such organizations;

4. Specialized courses for workers' and employers' organizations as soon as they have embarked on their functions of developing programmes relating to occupational health and safety, rehabilitation of disabled persons, vocational training, labour legislation, worker culture and other matters, with a view to enabling the relevant persons in those organizations to perform their duties more effectively;

5. A policy of instructing ALO's associated centres and institutes to give priority to the implementation of as many activities and courses as possible, with a view to enabling persons in the field of labour management, labour organizations and employers' organizations to perform their duties more effectively.

The cost of these programmes for immediate implementation is estimated at US$ 250,000 (US$ 50,000 for each of the five items listed above).

Total amount required for support sufficient to meet urgent fundamental needs

Amount (US$)	*Activity*
1.000.000	Vocational training institutes and centres
2.400.000	Institutions for rehabilitation of the disabled
250.000	Data and information centre
250.000	Labour management training and training for employers' and workers' organizations
3.900.000	Total (three million nine hundred thousand dollars)

8. AOAD

Date: 29 December 2003
No.: MT/8419
Urgent Fax

His Excellency Mr. Amre Moussa
Secretary-General of the League of Arab States
Cairo – League of Arab States

Sir,

With reference to your letter No. 623/1 of 6 November 2003, which we received on 17 December 2003, inviting us to participate in the second meeting of Arab organizations and funds aimed at providing support for Iraq and assistance in its reconstruction, to be held on 6 January 2004 in Amman, Jordan, in conjunction with the extraordinary meeting of the Higher Coordination Committee for Joint Arab Action, to be held in Amman on that same date, we are pleased to confirm that AOAD will take part in this important meeting. After examining the United Nations/World Bank Joint Iraq Needs Assessment, issued in October 2003, AOAD submitted its proposals on support for the agricultural sector in Iraq, which we transmit herewith. These proposals include the programmes and projects which AOAD is already implementing in Iraq.

We hope that you will take the necessary action concerning the document transmitted herewith and that the meeting will achieve the desired objectives.

Accept, Sir, the assurances of my highest consideration.

(Signed) Dr. Salem **Al-Lozi**
Director-General

God is the guardian of success.

AOAD proposals for support to the agricultural sector in Iraq

As a result of the recent war, the agricultural sector in Iraq is at imminent risk from a number of hazards, of which the following are perhaps the most serious:

1. Spread of animal disease pathogens

Iraq's programmes to combat animal disease have ground to a halt, which is expected to result in outbreaks of many epizootics and animal diseases, some of

which have been transmitted to human beings within Iraq and may spread beyond Iraq's geographical boundaries. Furthermore, it seems probable that these epizootics and diseases will include some never before recorded in Iraq or the region. Many animal diseases, including insect-transmitted diseases that also affect human health, are expected to become widespread in the absence of immediate preventive measures. These include foot-and-mouth disease (FMD), sheep pox, goat pox, small ruminant pest, rhinitis, infectious bovine rhinotecheitis (IBR), ephemeral fever, brucellosis, tuberculosis, anthrax, theileriasis, bovine mycoplasmal mastitis and Crimean-Congo haemorrhagic fever (CCHF).

As a result of the continuing suspension of programmes to combat and prevent these animal disease pathogens, animal herds will become vulnerable to infection in view of the widespread environmental contamination and the unavailability of drugs needed for treatment and prevention. Iraq will be the first country to come under threat from these diseases, followed by its neighbours, namely the States of the Gulf Cooperation Council (GCC), Jordan, Syrian Arab Republic, Turkey and Iran.

In order to mitigate the severe hazards arising from the anticipated spread of animal disease pathogens, AOAD proposes a coordinated effort and the supply of material, technical and human resources. It also proposes joint cooperation among Arab and international organizations and States bordering on Iraq in carrying out the task of treating and eradicating these diseases by:

- Supplying the serums and vaccines for all the above-mentioned diseases in order to inoculate affected animals and initiate immediate treatment in the event of any outbreak of disease;

- Rehabilitating all veterinary clinics damaged during the war and providing them with the medical and human resources needed to inoculate animals and detect any cases of disease, in which event immediate testing and treatment can be carried out.

II. Spread of agricultural plant pests

As a result of the present situation, Iraq's essential agricultural crops, including grain crops, dates and vegetable crops, are at imminent risk from a number of hazards. It is entirely likely, for instance, that its grain crops and dates will be attacked by a number of serious insect pests, including in particular:

1. The sunn bug (Eurygaster integriceps) which attacks standing wheat and barley. In past years, it has usually been controlled with insecticides sprayed on a wide scale from crop-dusting aircraft as a part of a State campaign organized by the Iraqi Ministry of Agriculture. In the present situation, the spraying is unlikely to be performed, since it requires agricultural aircraft, insecticide and an organized administrative structure. None of these factors will be available in the absence of support and assistance from international organizations;

2. The date palm dubas and the red palm weevil, both of which attack the date palm. Control of these pests also requires a large-scale treatment campaign, with insecticide sprayed from the air on all date-growing areas. In the absence of spraying, the date harvest is likely to sustain heavy losses, the effects of which will be felt for years.

III. Environmental contamination

1. Contamination of water

Combustible remains and shrapnel from explosives have fallen into the Euphrates and Tigris rivers. The consequences of the resulting water contamination and death of large quantities of fish will be disastrous. In order to address this sudden threat, it is proposed that Iraq should join forces with the neighbouring States that share the Tigris/Euphrates drainage basin in a cooperative effort aimed at increasing the flow in those two rivers so that most of the contaminants will be washed down to the Shatt al-Arab and thence to the sea. It is also proposed that AOAD experts should cooperate with Iraqi experts in order to identify conditions and location where water contamination is high. Needless to say, this contamination is a hazard for more than the fish habitat; it is also a hazard for drinking water, water consumed by animals and water used for irrigation purposes.

2. Contamination of soil

As in the case of water contamination, the problem of soil contamination is caused by fallen combustible fuel, shrapnel from explosives and radioactive materials. It is a major hazard that can be dealt with only by means of medium- and long-term programmes in cooperation with all relevant bodies, including specialized regional and international organizations, reconstruction programmes and international support from the United Nations.

3. Contamination of the air

The problem of air contamination is one that will have an impact on human health, the health of animals, and Iraq's woodlands and wildlife. It will also have an impact on honeybees, which are highly sensitive to smoke from fires of all kinds; those in beehives and in swarms suffocate and die immediately.

4. Deterioration of the infrastructure, the institutional structure and strategic reserves of goods and services

The damage to the infrastructure and institutional structure of the country's agricultural sector has led to the following:

- Destruction or loss of agricultural supplies and equipment, as a result of which the agricultural production and marketing operations of many farmers are expected to suffer, since these supplies are unavailable at the times when they are needed;
- Destruction or loss of the insecticides required for agricultural pest control, consequently increasing the likelihood of infestation with insects and other agricultural pests, in particular large numbers of rodents;
- Destruction of stocks of antibiotics, which will be disastrous as far as disease is concerned.

AOAD proposes the development of an emergency project whereby it will help provide basic agricultural production and pest prevention supplies, after Iraq's critical needs in that area have been precisely determined, in cooperation with various Arab, regional and international development agencies and funding sources. It also proposes cooperation with the competent international and regional organizations, including the World Health Organization (WHO), in order to begin

implementing a programme to raise awareness of these dangers and subsequently rehabilitate various medical centres and provide them with the wherewithal to fight disease and treat human beings or farm animals, as well as protect farms against agricultural pests.

5. Destruction or loss of crops and the worsening food security situation

The impact on winter grain crops, primarily wheat and barley, and on other food crops has been so disastrous as to require the intervention of all Arab, regional and international organizations in helping to provide the inputs essential to production, including the spare parts, maintenance and other work needed to operate Iraq's harvesters, so that farmers can carry out their productive activities and contribute to the supply of essential foodstuffs for the country's inhabitants.

Support facilities and services must also be put in place so that crops can be transported and appropriately stored in depots and silos owned either by the State or the private sector. The support and intervention of organizations and bodies is also needed for cooperation with Iraq's civil-society institutions in order to preserve this year's crop of essential foodstuffs.

6. AOAD contributions in support of agricultural development efforts in the Republic of Iraq after the recent war

Despite the difficult circumstances in Iraq as a result of the war, AOAD resumed its activities aimed at contributing to the current efforts to restore well-being and promote agricultural development work throughout the country. AOAD's recent activities in Iraq are mainly those conducted in the context of implementing the regional programme to combat transboundary animal diseases in the Arab region. AOAD has prepared the document for this programme to combat four serious diseases which affect Arab livestock resources and have an adverse impact on the potential for developing those resources and increasing their productive capacity. These diseases also have an adverse impact on human health and food safety. These diseases are screw-worm fly infestation, FMD, contagious abortion and Rift Valley fever. Iraq also participates in programme activities implemented by AOAD in the Arab region.

6.1 Regional programme to combat transboundary epidemics among livestock

At the request of AOAD, Iraq assumed the task of appointing the country coordinator for the programme and the national teams for the various subprogrammes. We give a brief outline below of three subprogrammes from which Iraq benefits as part of this programme and the successes achieved.

6.1.1 The joint programme run by AOAD, FAO and the International Atomic Energy Agency (IAEA) to eradicate the old world screw-worm fly from the Middle East (phase 2, final period):

On the initiative of the Iraqi Ministry of Agriculture, AOAD implemented the emergency project to combat the old world screw-worm fly in various countries of the Middle East during the period 1998-2000, which helped to contain infestation in Iraq and limit its spread to new non-infested regions in neighbouring countries. In a further effort to control this pest, AOAD, together with FAO and IAEA, prepared the document for phase 2 of the project with the aim of eradicating the old world screw-worm fly from affected areas by using the sterile male technique, as well as

additional means of eradication, such as chemical laboratories, agricultural quarantine, training and extension. The project covers 12 Arab countries and the Islamic Republic of Iran. AFESD, IDB and the OPEC Fund for Economic Development are each helping to finance the project.

Following cessation of the main military operations against Iraq and in order to learn more about the risks posed by the screw-worm fly to livestock resources and human beings in Iraq and neighbouring countries, AOAD convened the third technical meeting of the three organizations taking part in the project, namely FAO, IAEA and AOAD, in order to review the situation in the light of the recent changes in Iraq and the region and produce a rescue plan. Held in Cairo during the period 11-12 June 2003, the meeting devoted priority to making the necessary preparations and adopting measures guaranteed to avert the possible risk of an outbreak of old world screw-worm fly in Iraq, particularly following news agency reports that flies had escaped from the breeding cages in the fly-breeding unit at the Iraqi Atomic Energy Commission, where they were bred for the purpose of laboratory and field experiments.

Given the lack of essential information on the infrastructure of animal health services in Iraq and on the epidemiology of the pest following the war, an expert was dispatched to Iraq to gather information and carry out fact-finding that would assist in drawing up a plan to avert the risk posed by the fly. The expert visited Iraq during the period 22 June-7 July 2003, evaluated all aspects of the situation there regarding the screw-worm fly and prepared a report giving a full picture of that situation. A meeting of the project's steering committee was held in Cairo during the period 4-6 August 2003, during which the report submitted by the expert was discussed. A series of decisions were taken, giving priority to Iraq in implementing the components of the project, particularly those concerning the items needed to combat and treat infestation, essential veterinary supplies, substances used to attract the fly and traps, as a precaution against any possible future outbreak of the pest. The sum of US$ 100,000 was earmarked to meet the costs involved. AOAD also invited tenders for the importation of such requirements. The sum of US$ 364,000 was also earmarked for the establishment of a pilot model laboratory in order to conduct research on the sterile male technique. A further sum of US$ 50,000 was earmarked for the establishment and equipment of a research laboratory for work specific to the fly. Two experts from Iraq will take part in training and give lectures as part of the regional training course on investigating, diagnosing and combating the screw-worm fly, to be held in Muscat, Sultanate of Oman, during the period 14-19 February 2004. Two Iraqi trainee veterinary doctors will also take part in this course.

6.1.2 Regional project to combat FMD

This disease is one of those which it is difficult for any country to control single-handedly because of the many different strains of the virus, the repeated mutation in the epidemic form of the disease and the resistance of the virus to atmospheric conditions. Aware of the danger which the disease poses to livestock resources in the Arab world, AOAD prepared the document for the project to combat and control the disease and eradicate it from the Arab region. The project covers all Arab countries and the implementation of its components is partly financed by IDB and the OPEC Fund for Economic Development.

During the first year of the project, the Republic of Iraq benefits to the tune of US$ 12,500, approximately US$ 10,500 of which is for the purchase and import of operational requirements and US$ 2,000 of which is for studies and research. As for the training component of the project, two trainees from Iraq took part in the regional training course on the epidemiology and diagnosis of FMD, held in Cairo during the period 8-18 December 2003.

6.1.3 Regional project to combat contagious abortion (brucellosis)

Contagious abortion is a serious animal disease which causes abortion and a fall in overall milk production. It is one of the commonest and most widespread diseases and has a grave impact on human health. The AOAD project is intended to support national programmes to combat and control the spread of contagious abortion by establishing a unified epidemic investigation system and a programme for the exchange of information and research findings, as well as smoother cooperation, supplementary programmes and trade in livestock and animal products. A total of 17 Arab States benefit from the project and the implementation of its components is partly financed by AFESD.

As part of the advance preparation for the project, the AOAD General Directorate contacted the competent authorities in Iraq in order to provide them with the research and studies available on contagious abortion and request the country coordinator of the programme to notify AOAD of the material and equipment which Iraq needed in order to conduct a serology survey of the disease.

As part of the project, AOAD ran a regional training course on the diagnosis and epidemiology of contagious abortion in Amman in the Hashemite Kingdom of Jordan during the period 15-26 October 2003. The fact that Iraqi representatives were unable to take part in this first regional course of the project will be offset for during the second year of the project by increasing the number of trainees from Iraq.

Iraq also benefits from the project with the provision of approximately US$ 9,500 for laboratory supplies and equipment, studies and research.

6.2 Participation in programmed activities

Iraq participated in the activities of the pan-Arab meeting for veterinary quarantine officers, held by AOAD in Amman, Hashemite Kingdom of Jordan during the period 23-24 December 2003. Iraq was represented by the director in charge of veterinary quarantine. As a result of his participation, important information was learnt about the problems connected with veterinary quarantine in Iraq.

In the light of the above, AOAD proposes the following implementing mechanisms and measures:

1. Preparations should be made for a technical mission of AOAD experts to gather information on the extent and location of damage in the particular areas in which AOAD is able to offer technical and material support. This task should be facilitated through coordination with the General Secretariat of the League of Arab States;

2. AOAD should prepare documents for emergency projects to tackle animal and plant diseases, based on the findings of the field reports of the technical mission and in cooperation with Iraq, with a view to attracting the support and

finance needed for the immediate implementation of these projects from Arab or regional development funds and institutions;

3. The task should be coordinated in conjunction with similar regional and international organizations involved in agricultural issues with a view to elaborating medium- and long-term programmes in the areas where technical and material assistance is necessary as part of the efforts and support provided to Iraq and as part of international reconstruction programmes.

9. AAEA

The Arab Atomic Energy Agency presents its compliments to the General Secretariat of the League of Arab States (Office of the Secretary-General) and, with reference to your note No. 7585/5 of 27 December 2003 concerning the second meeting of the Joint Arab Action group in support of the Iraqi people (Amman, 6 January 2004), wishes to underline its previous proposals in connection with the contribution which it can make to supporting the Iraqi people (a copy of which is appended hereto).

The Arab Atomic Energy Agency takes this opportunity to convey to the General Secretariat of the League of Arab States (Office of the Secretary-General) the assurances of its highest consideration.

General Secretariat
League of Arab States
Cairo
Arab Republic of Egypt

Prospective activities for implementation in Iraq to which AAEA will be able to contribute

As a prerequisite for an accurate assessment of ways in which AAEA can usefully contribute its support to the Iraqi people, it will be essential to determine the present situation of Iraqi institutions with which AAEA would be called upon to work.

On the basis of currently available data, it appears that the Agency's main lines of action in that connection are likely to be as follows:

1. Radiation protection and nuclear safety

(a) Preparation of draft legislation governing radiation protection and nuclear safety in Iraq, along with other appropriate statutory instruments and implementing regulations.

(b) Establishment of an Iraqi monitoring body with responsibility for overseeing the manufacture, use, storage and transport of radioactive materials and for licensing all activities entailing the use of radiation sources (importing, exporting, manufacture, use and so on).

(c) Preparation of an inventory of radiation sources and their locations in preparation for the storage of such sources at special facilities.

(d) Provision of training in the field of radiation protection.

2. Public health and the environment

(a) An organized search for radioactive contamination in the environment (soil, water, air and food) and investigation of the causes of such contamination in preparation for its elimination.

(b) Investigation of sites that formerly contained radioactive materials with a view to determining what has become of the materials in question and to what extent the sites are contaminated.

(c) A study of the effects of the use of depleted uranium (used in weapons and armoured vehicles) on the environment and human beings in Iraq.

(d) Development of nuclear medicine and radiation therapy centres.

(e) Provision of training for technicians in these fields.

3. Peaceful applications of atomic energy

(a) Use of the environmental isotope technique in upgrading water resource management.

(b) A quantitative and qualitative study of ground and surface water contamination and determination of its causes.

(c) Radioactive isotope use in medicine.

(d) Development of non-destructive testing research laboratories.

(e) Manufactured product quality control

(f) Control of the old world screw-worm, which is prevalent in southern Iraq. It is a serious threat to the country's livestock, and under some conditions can be fatal to humans as well.

(Signed) Director-General

10. AIDMO

His Excellency Mr. Amre Moussa
Secretary-General of the League of Arab States
General Secretariat of the League of Arab States
Cairo/Arab Republic of Egypt

Sir,

I have the honour to refer to your letter No. 623/1 of 6 November 2003 requesting AAEA proposals concerning possible ways in which it can help to support the Iraqi people in overcoming its difficulties and in reconstruction and inviting AAEA to participate in the meeting to be held on 6 January 2004 in Amman in the Hashemite Kingdom of Jordan in conjunction with the extraordinary meeting of the Higher Coordination Committee for Joint Arab Action.

I have the honour to inform you that I shall participate in the said meeting and am pleased to inform you of the following:

I. Emphasis is placed on the AAEA proposals contained in letter No. 854-4 of 25 April 2003, comprising the implementation of 12 projects and documents outlining those projects, namely:

1. Industrial and mining surveys;

2. Technical assistance to existing industries;

3. Training for technical managerial personnel working in industrial facilities by organizing special training courses and specific industrial training;

4. Feasibility studies and diagnostic studies on industrial projects;

5. Industrial data;

6. Norms and standards;

7. Studies on upgrading productivity in existing industrial establishments;

8. Support for the private industrial sector;

9. Assistance with the rehabilitation of the electricity sector;

10. Support for traditional industries;

11. Assistance with the rehabilitation of the communications sector;

12. Support for research centres and technological development in the industrial sector.

The estimated cost of implementing these projects stands at US$ 23.3 million, to be financed by donor agencies for the reconstruction of Iraq.

II. A study on restructuring Iraq's geological and mining institutions will be conducted at an estimated cost of US$ 2.5 million, to be financed by donors for the reconstruction of Iraq. A document outlining the project is appended hereto. AAEA has therefore proposed 13 projects, at an estimated cost of US$ 25.8 million, to be financed by the donor agencies for the reconstruction of Iraq.

III. It is proposed that the Arab States which, at the Madrid International Donors Conference for the Reconstruction of Iraq held on 23 and 24 October 2003, offered to provide expertise, technical support and human resource training and to establish training courses, should cooperate with AAEA in providing such assistance.

Accept, Sir, the assurances of my highest consideration.

(Signed) Talaat bin **Zafir**
Director-General

Proposed projects for implementation in Iraq to which AIDMO considers that it will be able to contribute, with cost estimates

Name of project		*Estimated cost (US$)*
1.	Industrial and mining surveys	1.000.000
2.	Technical assistance for existing industrial facilities	700.000
3.	Training for managerial personnel employed in industrial facilities through the delivery	800.000

	Name of project	Estimated cost (US$)
	of specialized training courses and specific industrial training	
4.	Feasibility and diagnostic studies on industrial projects	3.000.000
5.	Industrial data	2.000.000
6.	Norms and standards	3.000.000
7.	Studies on upgrading productivity in existing industrial establishments	800.000
8.	Support for the private industrial sector	800.000
9.	Assistance in rehabilitating the electricity sector	3.700.000
10.	Support for traditional industries	800.000
11.	Assistance with reconstruction of the communications sector	4.800.000
12.	Support for research and technological development centres in the industrial sector	2.000.000
13.	Preparation of a study on restructuring Iraq's national geological and mining facilities	2.500.000
	Total	**25.800.000**

Name of project: Industrial and mining surveys

Objectives:

- Investigation of the present industrial or mining situation in Iraq;
- Identification of obstacles to development of the industrial or mining sector and proposals for appropriate solutions for addressing those obstacles;
- Identification of a number of new investment opportunities;
- Modernization of available databases.

Justification:

- No industrial or mining surveys have been conducted in Iraq for a long time now as a result of the sanctions regime that has been in place since 1990;
- Destruction of significant numbers of industrial facilities as a result of the recent war.

Project description:

This project will be implemented in collaboration with the competent authorities in Iraq in a number of phases, as follows:

Phase 1: Design of survey forms, selection and training of enumerators, formation of survey teams, field distribution, collection and compilation of forms, and classification and analysis of statistical data.

Phase 2: Presentation and elucidation of matters relating to study of the data, extraction of indicators, the preparation of sectoral studies and data analysis, development of future-oriented industrial growth policies and strategies, identification of investment opportunities, preparation of industrial files relating to those opportunities and determination of an implementation timetable.

Project outputs:

- Training for national managers in the preparation and modernization of industrial and mining surveys;

- Comprehensive surveys of various industrial sectors;

- Selected sectoral studies;

- Identification of investment opportunities;

- Creation of modernized databases.

Estimated project cost: US$ 1 million

Name of project: Technical assistance for existing industrial facilities

Objectives:

- Field technical consultancy services for a number of existing industrial and mining facilities, with a view to rehabilitating them and developing their performance.

Justification:

- Most of Iraq's existing industrial facilities are experiencing a host of productivity-related, technical and administrative problems as a result of the war and the sanctions.

Project description:

The project will be implemented as follows:

- Identification, in collaboration with the competent authorities in Iraq, of 20 industrial facilities to be targeted for study of their problems, and subsequent selection of appropriate specialists to conduct the necessary studies and develop appropriate solutions;

- Discussion of proposals emerging from these studies with persons in charge at the industrial facilities in question, and the preparation of plans for implementing those proposals.

Project outputs:

- Study of industrial facilities that are encountering problems in connection with production, management, marketing, technical difficulties, etc.;

- Development of a number of work systems and indicators in the areas of production planning and control, materials, operation, maintenance, storage, costs, utilization of materials, quality, etc.;

Estimated project cost: US$ 700,000

Name of project: Training for managerial personnel employed in industrial facilities through the delivery of special training courses and specific industrial training

Objectives:

- Retraining of a number of technical personnel working under Iraqi industrial projects, with a view to upgrading their expertise and performance;

- Informing participants in training courses and programmes about the latest developments in their respective areas of specialization;

- Exchanges of expertise among participants, acquisition of awareness of the problems confronting them in their work, and the emergence of proposals for valid solutions to those problems.

Justification:

- An acute shortage of trained and qualified technical personnel in the industrial sector and deterioration of the skills of those who remain, owing to the sanctions that were imposed on Iraq for a long period, together with the fact that many trained technical personnel have left the country;

- The need to catch up with modern scientific developments in industry.

Project description:

This project will be implemented as follows:

- Delivery of national specialized training courses for persons working in Iraqi industrial facilities in a number of fields, to be determined by the competent Iraqi authorities;

- Organization of specific industrial training programmes for a number of high-level technical personnel in relevant industrial fields to be determined by the Iraqi authorities that will benefit as a result.

Project outputs:

- Delivery of 20 training courses in various areas;

- 100 high-level Iraqi personnel with specific industrial training in various branches of industry.

Estimated project cost:

- Cost of training courses: approximately US$ 500,000 (US$ 25,000 per course);

- Cost of specific industrial training: approximately US$ 300,000 (US$ 3,000 per trainee).

Total: US$ 500,000 + US$ 300,000 = US$ 800,000

Name of project: Preparation of feasibility and diagnostic studies on industrial projects

Objectives:

It is clear from the above that the process of industrial reconstruction in Iraq must take many factors into account, notably repairs, rehabilitation and rebuilding, among others.

Accordingly, diagnostic studies of existing industrial plants are required in order to determine the present state of those plants and identify necessary reconstruction measures. It will also be important to conduct feasibility studies on their technical rehabilitation, so that they will be able to go back into production with appropriate standards.

Justification:

During the sanctions regime, Iraqi industrial projects were affected by numerous problems arising from the fact that spare parts and raw materials were not available, to say nothing of the obsolete equipment in use, which did not conform to contemporary health, safety and environmental norms. As a result of these factors, many of those plants operated at well below their capacity or had to shut down altogether, including many plants producing items of basic necessity for ordinary people, such as food, clothing, medicines and building materials.

The recent war launched against Iraq by the United States and the United Kingdom, and the looting, vandalism and anarchy that were prevalent during the days immediately following the military assault, have resulted in the destruction of much of what remained of Iraq's industrial structure.

Project outputs:

A number of diagnostic studies and feasibility studies on the most important branches of Iraq's industry, with a resultant positive impact on the production of food, medicine, clothing and building materials.

Estimated costs:

- Ten diagnostic studies at US$50,000 per study = US$500,000;
- Ten feasibility studies at US$250,000 per study = US$2,500,000.

Name of project: Industrial data

Objectives:

The project aims at the reconstruction of the Iraqi Ministry of Industry's main industrial data centre as well as subsidiary industrial data centres in industrial establishments in various sectors. It also aims to collect any relevant data and documentation on industry in Iraq that can be found at the local, regional and international levels through various organizations.

Justification:

Owing to the war and the looting of various Iraqi ministries and other institutions, much data-processing equipment has been lost, along with the information it had contained, especially information pertaining to industry in Iraq. This equipment must now be replaced. This means purchasing new computers and modern systems, and it also means gathering as much information and documentation, especially on industry in Iraq, from local, regional and international sources, building a new database and inputting the accumulated data, and training the technical personnel who will be working at the centres in question.

Project description:

The implementation of this project will comprise several phases, as follows:-

- Preparation of an expert study on the current situation in Iraq as regards industrial data available to the Ministry of Industry and various industrial establishments;
- A search, to be conducted in collaboration with various bodies within Iraq and elsewhere, for information about industry in Iraq;

- Gathering of data relating to Iraqi industry from local, regional and international sources;
- Purchase of data equipment and systems required to rehabilitate Iraq's industrial data centres (computers, printers, scanners and photocopiers);
- Reconstruction of industrial data centres and equipment at the Ministry and various establishments;
- Rehabilitation and training of Iraqi personnel working in the field of industrial data.

Estimated cost: US$2,000,000

Name of project: Norms and standards

Objectives:

The aim of this project is to support Iraq's standards structure with a view to enabling it to resume its activity, not only within the country but also regionally and world-wide. The project also seeks to re-form the country's national standards committees to meet domestic needs with respect to the maintenance of its citizens' health and safety, and to facilitate trade in a framework of World Trade Organization (WTO) and Greater Arab Free Trade Area (GAFTA) agreements.

Justification:

The war of aggression that was waged against Iraq, the looting that followed, and the burning of Iraq's scientific and cultural institutions.

Project description:

- The Iraqi standards organization will be supplied with a comprehensive set of unified Arab standards and international ISO standards and International Electrotechnical Commission (IEC) norms;
- The Iraqi standards organization will be supported with a view to enabling it to apply the Agreement on Technical Barriers to Trade (TBT/WTO);
- The Iraqi standards organization's autonomy will be upgraded with a view to enabling it to participate in and contribute to standard-setting activity regionally (AIDMO) and internationally (ISO, IEC and the Codex Alimentarius);
- The Iraqi standards organization will be helped to apply international standards relating to systems of quality management, environmental management and qualifications for quality inspectors, with a view to making it easier for Iraqi exports to penetrate world markets;
- Iraqi personnel in the field of food safety will be trained in the Hazard Analysis and Critical Control Point (HACCP) system and how to apply it;
- A national interrogation system will be established, and use of the Internet will be encouraged as a means of seeking or acquiring information and finding answers to questions, with a view to Iraq's qualifying for accession to the WTO;

- A national system for approval of and accession to international agreements on mutual recognition of qualifications, conformity and accreditation will be established.

Project outputs:

- Activation of Iraq's standards committees, which will be enabled to prepare national standards that are in accordance with unified Arab standards and the corresponding international standards, and strengthening of the country's ability to participate in and contribute to international standard-setting activities;

- Activation and qualification of Iraq's issuance of certificates of conformity in the area of quality management and environmental management (ISO 9000, ISO 14000);

- Training for specialists in food industry monitoring and widespread use of the HACCP system;

- Establishment of a national interrogation system and Web sites on standards, technical conditions and ional authority for approval of and accession to international agreements on mutual recognition of qualifications, conformity and accreditation.

Estimated costs:

Implementation of this project will take three years. Yearly implementation costs are estimated at approximately US$1 million and the total project cost will therefore be US$ 3 million.

Name of project: Studies on upgrading productivity in existing industrial establishments

Objectives:

- Identification of obstacles confronting various existing Iraqi industrial establishments and acting as a brake on their productivity;

- Proposals for valid solutions designed to overcome such obstacles;

- Enhancement of the competitiveness of products made by those establishments through lower production costs and attention to quality.

Justification:

The importance of upgrading productivity in the industrialized countries generally and in developing countries in particular arises from the fact that high productivity is the key to rising national income and growing social prosperity. The issue is particularly acute in the case of Iraqi industrial establishments because a long period of neglect, owing to successive wars and twelve years and more of economic sanctions, has left most of them with very low productivity.

Project description:

Implementation of this project will comprise the following:

- Selection, in cooperation with the competent Iraqi authorities, of 20 industrial establishments to be targeted for diagnostic studies, followed by the

designation of qualified experts to conduct the studies in question, with a view to assessing the productivity of the establishments concerned, determining major indicators, identifying problems and obstacles confronting them, and formulating suggestions for valid solutions aimed at upgrading their productivity;

- Discussion of these studies with managers at the industrial facilities concerned and preparation of plans to implement the recommended solutions.

Project outputs:

- Twenty diagnostic studies on productivity;
- Recommendations for work systems and approaches designed to upgrade productivity and make products more competitive.

Estimated project cost: US$ 800,000

Name of project: Support for the private industrial sector

Objectives:

- To determine the condition of the private industrial sector and its role in industrial development, and to identify problems and obstacles confronting it;
- To determine prerequisites for the development of that sector, and to implement a number of projects in that connection.

Justification:

Recent economic and technological developments have induced far-reaching changes in Arab economic policies, underscoring the importance of activating and stimulating the role of the private sector and giving it a larger economic role to play, with a view to taking advantage of some of its most prominent characteristics: creativeness, persistence, willingness to accept a challenge, and flexibility in dealing with change. It is important to support the private industrial sector in Iraq, because successive wars and the sanctions regime have presented the country with numerous problems and caused it to regress.

Project description:

- Conducting diagnostic studies to determine the state of the private industrial sector and to identify problems and obstacles that are preventing it from taking off, then discussing the findings of those studies with relevant persons in Iraq, ultimately arriving at a work plan for activating the role of the private industrial sector and identifying opportunities for private-sector investment; organizing a number of training courses and seminars in that connection.

Project outputs:

- Five diagnostic studies on the role of private enterprise in leading industrial sectors;
- Two specialized seminars;
- Five specialized training courses;
- Five economic technical feasibility studies for five promising industrial projects.

Total estimated cost: US$ 800,000

Name of project: Assistance with rehabilitation of the electricity sector

Objectives:

Qualified personnel are essential in order to rehabilitate the various installations of Iraq's electricity grid.

Justification:

Iraq's electricity generating, transport and distribution system has been largely destroyed as a result of the bombing campaign that devastated every part of the country. In order to restore electrical power to people's homes, service industries and production industries, and thereby alleviate the hardships currently being endured by the Iraqi people and make basic necessities available to them, priority must be given to rehabilitation of all components of the grid.

Project description:

Fifty engineers and technicians from various Arab countries will be sent to Iraq for a period of one year to help their Iraqi counterparts rebuild the country's electricity grid.

Estimated cost:

Fifty individuals x US$ 6,000 x 12 months = US$ 3.6 million.

Name of project: Support for traditional industries

Objectives:

- To ascertain the condition of traditional industries in Iraq, and to identify problems and obstacles confronting them;
- To formulate proposals for appropriate solutions to such problems and obstacles;
- To upgrade the productivity of existing traditional industries in Iraq and to contribute to the task of developing foreign markets for them.

Justification:

In general, Arab traditional industries represent a rich cultural heritage that is a feature of various aspects of life. Their importance arises from their function as a factor in human, cultural, aesthetic and economic continuity. In the case of Iraq, these traditional industries and those employed in them have had their full share of problems and obstacles during the years of war and sanctions. Accordingly, AIDMO has developed this project, the aims of which are to study those problems and obstacles and devise solutions to them, having regard to the importance of traditional industries as a source of employment and a major contributor to national income.

Project description:

- Conducting sectoral studies on Iraq's traditional industries to determine their situation, identify problems and obstacles confronting them, and organize specialized meetings and workshops to discuss the findings of those studies,

with a view to reaching agreement on appropriate solutions for the development of this sector;

- Following up the implementation of those solutions in collaboration with the competent authorities in Iraq.

Project outputs:

- Diagnostic studies on the situation of six traditional industry sectors in Iraq and problems and obstacles confronting them;
- Six specialized workshops held to discuss the situation of the sectors in question and the proposed solutions to the problems besetting them, and a work plan for the development of these traditional industries;
- Training of a number of Iraqi managerial personnel working in this sector.

Estimated project cost: US$ 800,000

Name of project: Assistance with the rehabilitation of the communications sector

Objectives:

In rehabilitating Iraq's communications sector, it will be useful to take advantage of the results of experiments conducted in various Arab States, including Morocco, Egypt and a number of the Gulf States, which have successfully modernized their fixed-line telephone systems, introduced mobile telephone service and established Internet connections, in most cases by opting for privatization.

Justification:

Iraq's communications sector has been almost totally destroyed as a result of military action. Communications are of critical importance, not only for military operations, but also for everyday life and for the functioning of economic and social institutions of every kind. Accordingly, if Iraq's economic and social structure is to be rebuilt and if its people are to be able to live under conditions of stability and security, it is essential to give priority to rebuilding the communications sector. It must also be modernized, incorporating world developments in the area of communications, data exchange, on-line publishing, mobile telephone systems and the like.

Project description:

Fifty communications experts from various Arab countries that are in the forefront of the communications field will be sent to Iraq for a period of one year to help their Iraqi counterparts determine the most important options available for building a modern communications system.

Estimated cost:

Fifty individuals x US$ 8,000 x 12 months = US$ 4.8 million.

Name of project: Support for research and technological development centres in the industrial sector

Objectives:

To determine the condition of industrial research and technological development establishments in Iraq, and to supply the necessary support with a view to their rehabilitation.

Justification:

- Iraq's infrastructure and facilities, including research and development centres in particular, have been extensively damaged as a result of sanctions and the recent war;
- Research and technological development are vital to Iraq's industrial development.

Project description:

- Implementation of this project will begin with diagnostic studies to determine the condition of research and technological development institutions and centres in Iraq's industrial sector, followed by identification of their rehabilitation needs;
- The second phase of the project will feature collaboration with Arab and international bodies in an effort to meet the needs of those institutions and centres insofar as possible.

Project outputs:

- Diagnostic studies;
- Identification of the rehabilitation needs of Iraqi research establishments;
- Action to meet the needs of some research centres and facilities.

Estimated project cost:

The cost of this project is estimated at approximately US$2 million.

Name of project: Study of the restructuring of Iraq's geological and mining facilities and departments

Objectives:

- To restructure national departments and institutions in Iraq's geological and mining sectors;
- To list information on and investigate the situation of existing mining centres (phosphate, sulphur, construction materials, etc.);
- To prepare an inventory of the mining deposits which can be utilized;
- To examine the establishments working in the field and list the material and human resources which they need in order to restructure and prepare for privatization;
- To identify obstacles to development of the mining sector and propose appropriate s sol tions to address those obstacles.

Justification:

- No (or very few) geological or mining operations or surveys have been conducted in Iraq since the start of sanctions (1990) or the start of the Iraq-Iran war;

- Destruction of significant numbers of documents and data, as well as the destruction of mining facilities during the successive wars against Iraq.

Project description:

Phase 1: Design of survey forms, selection and training of enumerators, formation of survey and inventory teams, field distribution, collection and compilation of forms, and classification and analysis of statistical data.

Phase 2: Presentation and elucidation of matters relating to study of the data, extraction of indicators, the preparation of feasibility studies and data analysis, development of programmes for restructuring national departments in the geological and mining sectors and national establishments and companies in the mining sector, the formulation of various other relevant proposals and recommendations and identification of essential equipment needs.

Project outputs:

- Study and modernization of the Civil Code and investment legislation in this area;

- Restructuring of specialized institutions in the geological and mining sectors;

- Planning of the equipment (laboratories and workshops) required by national mining facilities;

- Listing of the facilities which can be privatized now or in the future;

- Training for Iraqi managerial personnel in the preparation and updating of geological and mining surveys;

- Identification of mining deposits which can be utilized and preparation of project files for such deposits;

- Comprehensive study of the geological and mining sector and proposal of solutions for its development;

- Determination of the need for workers in the geological and mining sector.

Estimated project cost: US$ 2,500,000

II. ACAC

Rabat, 18 December 2003
No.: 639/MMA

The Executive Board of the Arab Civil Aviation Commission (ACAC) presents its compliments to the General Secretariat of the League of Arab States (Office of the Secretary-General).

With reference to letter No. 623/1 of 6 November 2003 from the Secretary-General concerning the second meeting of Arab organizations and funds in connection with support for Iraq and contributions to its reconstruction, to be held in conjunction with the extraordinary meeting of the Higher Coordination Committee

in Amman, Jordan, the ACAC Executive Board has the honour to draw attention to the proposals which it previously submitted at the first meeting, held in Cairo on 20 April 2003, and to note No. 187/MMA of 28 April 2003 concerning practical measures to assist in the rehabilitation of the Iraqi Civil Aviation Organization.

The ACAC Executive Board wishes to emphasize that it is fully prepared to translate those proposals into reality by making all of its technical resources and capacities, its accumulated expertise and its experience in the field available to the competent Iraqi authorities with a view to the rehabilitation, development, growth and advancement of Iraq's civil aviation sector so that it can keep pace with the new developments and major changes taking place in the sector. ACAC will endeavour to form specialist task forces on air transport, air safety, air navigation and aircraft safety and send them to Iraq in order to identify the difficulties and shortcomings in Iraq's civil aviation sector and assess the infrastructure, human resources, technical apparatus and navigational equipment of the Iraqi Civil Aviation Organization. They will also help to identify essential needs and equipment with a view to rehabilitation of the sector and improvement of its operational standard. Such efforts will be carried out in cooperation and collaboration with the competent authorities in Iraq.

The Executive Board also emphasizes its commitment to providing support and assistance in retraining and upgrading the skills of the technical and managerial personnel in the Iraqi civil aviation sector, as well as to ensuring that they are given priority with respect to the services available from Arab and international institutes, schools and academies which have cooperation agreements with ACAC. Bearing in mind Iraq's difficult circumstances, ACAC will endeavour to see to it that the greatest possible number of grants, places and free training courses are awarded preferentially to Iraqi managerial and technical personnel.

In that connection, the ACAC Executive Board also received a communication from the Director-General of the Iraqi Civil Aviation Organization requesting the note verbale submitted by ACAC to the League concerning support and assistance for Iraq's civil aviation sector, as it wished to study the proposals made by ACAC.

This was provided in the form of a letter from ACAC addressed to the Director-General of the Iraqi Civil Aviation Authority, which supplied the information contained in the note verbale concerning ACAC's proposals and views on possible support and assistance for Iraq's civil aviation sector.

The ACAC Executive Board takes this opportunity to convey to you the assurances of its highest consideration.

(Signed) Abdel Jawad **Dawoudi**
Director-General
Arab Civil Aviation Commission

Rabat, 28 April 2003
No.: 187/MMA

The Executive Board of the Arab Civil Aviation Commission (ACAC) presents its compliments and to the General Secretariat of the League of Arab States (Office of the Secretary-General).

We refer to the outcome of the extraordinary meeting of Arab specialized organizations held in Cairo on 20 April 2003 to consider assistance to the Iraqi people.

We are pleased to submit herewith some proposals and practical measures that ACAC would be in a position to implement by way of furthering the rehabilitation of the Iraqi civil aviation system. That system was severely damaged as a result of the flight ban imposed on Iraq for nearly 13 years which seriously impaired the system's infrastructure as well as its economic, technical and social components. The recent assault on the country has made matters worse by destroying its airports and all their facilities.

In order to ensure that the proposals and assistance measures set forth in this note will be practicable and feasible, the Executive Board has focused mainly on possible support actions in the area of human resource training and qualification in Iraq's civil aviation sector, the activities of which are currently at a complete standstill.

Our views and suggestions for the rehabilitation of Iraq's civil aviation sector are as follows:

1. A task force consisting of technical experts from the Executive Board and from ACAC member States should be established and sent to Iraq at the earliest opportunity. The function of this task force would be to participate, in collaboration and coordination with the competent Iraqi authority, in an assessment of the current condition of the country's civil aviation sector, to include a precise diagnosis of its components and identification of the essential basic needs that must be met in order for it to become operational again. Problems, difficulties and obstacles would be identified, and the entire Iraqi civil aviation system would be assessed, including its infrastructure, human resources, technical units, facilities and the like.

2. Logistic assistance could be made available for retraining and upgrading the skills of technical and managerial personnel in the Iraqi civil aviation sector. Those resources should be given priority with respect to the services available from Arab and international institutes, schools, academies and the like which have cooperation agreements with the ACAC. In the present critical situation, we shall endeavour to see to it that grants, places and free training courses offered by these institutions are awarded preferentially to Iraqi managerial and technical personnel.

3. The various components of Iraq's civil aviation sector, including air transport, aircrew and air safety, are in need of rehabilitation and should be brought into line with the international systems and standards used by the International Civil Aviation Organization (ICAO). As a first step, a safety inspection team from the ACAC should be sent to Iraq to evaluate safety conditions at Iraqi airports, while a technical team should also be sent to perform maintenance on the technical equipment and facilities used by crews and airport installations.

4. The General Secretariat of the League should be asked to intervene with the Iranian authorities to request the return of Iraqi aircraft that have been detained in Iran since 1991; these aircraft are still airworthy and could be re-registered and put into service.

5. Coordination between ACAC and the Arab Air Transport Union to participate in:

- Assisting Iraqi captains and technicians to become requalified and reintegrated into their professional environment in accordance with ICAO conditions and regulations;

- Providing all possible expertise and technical assistance to maintain such civil aircraft as Iraq still possesses, which for the time being constitute the nucleus of the country's fleet.

The essential problem that arises with providing assistance for Iraq, of course, is basically the issue of legality and the identity of the authority with which we would be dealing in Iraq. It is not clear what channels of communication would be suitable for purposes of an operation aimed at assisting and supporting Iraqi civil aviation.

The Executive Board wishes to reiterate that it is fully prepared to provide all possible forms of support, advice and assistance, at the Arab or international levels, with a view to rehabilitating Iraq's civil aviation and enabling it to catch up with the rapid pace of developments occurring in the field of civil aviation worldwide. We trust that Iraq will be able to overcome the difficulties currently besetting it and build a state-of-the-art, safe civil aviation system.

The ACAC Executive Board takes this opportunity to convey to the General Secretariat of the League of Arab States the assurances of its highest consideration.

(Signed) Abdel Jawad **Daoudi**
Director-General
Arab Civil Aviation Commission

12. Arab General Insurance Union (AGIU)

Arab General Insurance Union
General Secretariat
Cairo, Arab Republic of Egypt

Support for the Iraqi insurance sector

Position of AGIU

Insurance in its various forms and subcategories is no novelty to Iraq, as the Iraqi insurance market has a history extending back over more than a century and a half.

The Iraqi insurance market boasts a number of experts in all fields of insurance in the Arab and international markets. These persons have contributed and continue to contribute to the development of many Arab insurance markets.

I. Current situation

Iraqi insurance laws and regulations include many provisions dealing with the organization of the insurance market, but there is no separate statute that explicitly organizes the operations of insurance companies as such.

The Superintendent of Insurance, an official with the Ministry of Finance, is responsible for overseeing and monitoring Iraqi insurance companies.

1. Structure of the Iraqi insurance market

(a) Public insurance companies:

National Insurance Company/public company

Founded in 1950. Provides all types of general insurance coverage, including both types of life insurance, individual and group.

Iraqi Public Insurance Company

Founded in 1959. Provides all forms of general insurance and life insurance.

Iraqi Reinsurance Company

Founded in 1960. Engages in all forms of reinsurance operations in the local, Arab and international markets; a professional reinsurance company.

In 1997, Law No. 22/1997 was promulgated, whereby State-owned insurance companies were converted to self-financing companies.

These companies are AGIU members.

(b) Private companies

Under Law No. 21/1997, which authorized the founding of private insurance companies, and Directive No. 12/1999, which regulated their method of operation, a number of private insurance companies were founded, as follows:

- Al-Ahliyah Insurance Company
- Dar al-Salam Insurance Company
- Al-Hamra' Insurance Company
- Al-Amin Insurance Company

These companies opened for business in 2001. They provide all forms of insurance and reinsurance coverage.

The first three of these companies have applied for AGIU membership.

2. The sanctions regime had an adverse impact on the insurance sector, and more particularly the reinsurance sector, because Iraq was economically isolated from the rest of the world, and most reinsurers withdrew from the agreements into which they had entered over a period of decades. Furthermore, since optional reinsurance operations were at a standstill, Iraqi insurance companies had to settle for accepting domestic insurance work only, insofar as possible.

3. At the Arab regional level, the Iraqi Reinsurance Company is a member of the Arab Reinsurance Group, which has kept all its reinsurance agreements with the Iraq insurance market in effect unchanged.

4. With respect to ownership rights in Iraqi insurance companies, we consider that substantial changes may be in store in the light of privatization policies and given the present and likely future situation.

II. Means of supporting the Iraqi insurance sector

We are fully confident that the Iraqi insurance market, with its wealth of expert resources, will be able to survive its current time of trial. However, it is clear that

some support would be useful, and in that connection the AGIU Board of Directors has plans to meet with a representative of the Iraqi insurance market at its next meeting. AGIU is prepared to provide assistance and technical expertise by way of supporting all Arab insurance markets in the following areas:

1. Restructuring and reorganization of the market, drawing upon the expert resources of insurance regulatory and monitoring bodies in the Arab countries, and working through the Standing Arab Insurance Oversight Committee;

2. Supplying such technical and administrative personnel as the market may require;

3. Preparing training programmes for insurance company staff members in accordance with those companies' needs as determined by themselves;

4. Modernization of insurance products in the Iraqi market, drawing upon the accumulated expertise of the technical committees operating in the context of the AGIU General Secretariat;

5. Making training opportunities available at specialized insurance institutes in Arab countries;

6. Reinsuring by turning the capacities of Arab reinsurance companies to account in the context of the Standing Committee of Arab Reinsurers.

III. Current implementing measures

1. Participation in all conferences and seminars organized by AGIU free of charge and with paid travel and accommodation costs;

2. Exemption from AGIU membership subscription charges for all Iraqi insurance companies;

3. Meeting of Iraqi insurance companies and the League of Arab Reinsurance Companies.

Amman, 13 December 2003

During the meeting of the League of Arab Reinsurance Companies in Tunis on 19 October 2003, the AGIU Secretary-General, who chaired the meeting, called on members of the League to convene a special meeting of directors of Iraqi insurance companies, both public and private, to be held in Amman, Hashemite Kingdom of Jordan, on Saturday, 13 December 2003, in order to explore ways of supporting the Iraqi insurance market in the forthcoming stage and in the future. At the proposal of the AGIU Secretary-General, the members of the League, who are directors of Arab reinsurance companies, agreed to shoulder all of the costs which representatives of Iraqi insurance companies will incur in attending that meeting.

13. UAB

Remarks by UAB on its prospective role in Iraq during the reconstruction period

For some time now, UAB has been preparing a programme of action concerning support for Iraq during the reconstruction period, specifically as regards the fields of activity in which UAB operates. UAB believes that it will be able to implement this programme, considering the banking and financial situation in terms of the Arab world as a whole and UAB's strategic relations with the central banks

and Arab financial sector institutions, as well as joint Arab-foreign banking institutions.

The following pages contain a summary of our views, as a union of banks, as to our role in the area of banking, finance and the economy during the reconstruction period.

I. Technical assistance

- Adoption by UAB of a policy of raising banking awareness within the Iraqi banking sector, characterized by the organization of specialized banking seminars concentrating on documentary credits, banking technology, modern banking and new finance-related technology;

- Dispatch of Arab experts in the fields of banking and finance to Iraq for the purpose of providing technical, technological and research assistance for Iraqi bankers;

- Participation in the process of banking development in Iraq by providing senior Iraqi bankers with information and documentation on the development of the banking industry in the Arab countries and worldwide;

- Intensive communication and meetings with Iraqi leaders in the banking sector to consider their new needs and requirements in the immediate future;

- Cooperation with Iraqi banking and monetary authorities with a view to providing them with advice on financial and banking legislation and other prerequisites for attaining the goal of a reinvigorated banking sector in Iraq;

- Intensification of the UAB role as regards providing Iraqi banks with technical and technological assistance, especially in the areas of international monetary working standards, advanced banking technology, and modern financial activities;

- Organization of a quick workshop, to be attended by Iraqi banking sector leaders, senior UAB officials and prominent specialists, to study and evaluate the general banking and economic situation in Iraq and formulate proposals for ways of enabling the Iraqi banking sector to overcome its current difficulties and challenges and embark on a process of comprehensive, sustained vitality.

II. Delivery of research services

- Adoption of a policy of upgrading banking culture in the Iraqi banking environment by providing Iraqi bankers with scientific publications, including journals, books and studies;

- Action to help Iraqi researchers, bankers and students obtain all the scientific sources of information, research and studies that they need in order to enable them to use this material for purposes of research or study or simply in their day-to-day work;

- UAB will provide many Iraqi banks and bankers with books on banking and finance, asking nothing in return, as it has consistently done to date, with a view to helping them build up a stock of works on banking and finance and enabling them keep abreast of new developments in the banking industry;

- UAB will provide research, training and other services for token amounts or at no charge in many fields.

III. Support for openness to the Arab financial community

- Holding of seminars on Iraqi soil to which bankers from other Arab countries would be invited, with a view to enhancing the level of mutual awareness and intercommunication among Iraqi and other Arab bankers;

- Encouraging Arab bankers to visit Iraq and become aware of opportunities for doing business with their Iraqi counterparts, especially with respect to the development of commercial and financial trade among countries;

- Organized visits by official delegations from UAB to Iraq for the purpose of meeting with banking officials there, considering their banking and financial needs and inviting them to participate in UAB activities and work, including in particular its international conferences, as UAB hopes to forge bonds of mutual awareness and cooperation between Iraqi bankers and those from the other Arab States;

- Arab bankers will be urged and encouraged to establish and maintain contact with Iraqi bankers in order to crystallize and give effect to joint working formulas that will serve to broaden relations of trade, investment and financial operations between their respective countries.

IV. Participation in the task of enhancing Iraq's image and that of its banking sector

- Launch of a series of special issues of the UAB Magazine aimed at shedding light on the actual situation and the importance of current developments in the Iraqi banking sector and the country's economic climate in general, with a view to encouraging Iraqi banks and other Arab banks to work together;

- Organization of an international Arab banking conference in Iraq, aimed at encouraging investment and economic activity in Iraq, and with a view to forging bonds of cooperation between the Iraqi banking sector and the banking sectors in other Arab States;

- Formation of a specialized working cell within the UAB General Secretariat for the purpose of supporting and co-ordinating with the Iraqi Central Bank in tracking and investigating new economic and banking developments in Iraq and informing the Arab banking/economic community of those development.

V. Ensuring that Arab banks participate in the reconstruction of Iraq

- Urging and encouraging Arab banks to participate in the Iraq reconstruction process, and funding their development, investment and reconstruction projects;

- Endeavouring to promote joint funding initiatives involving two or more Arab banks for the financing of investment, development and reconstruction projects in Iraq;

- Encouraging joint Arab-foreign banks to undertake joint funding initiatives for reconstruction projects in Iraq.

14. UAI

Working paper

Support for the Iraqi people

Presentation to the second meeting of the Joint Arab Action group in support of the Iraqi people
Amman, Jordan, 6 January 2004

Working paper on support for the Iraqi people

Basic statistics on Iraq[4]

Population	24 million (2001)
Average life expectancy	58.7 years
Area	438,000 square kilometres
Illiteracy rate	42 per cent
GDP	US$ 14 billion
Growth in GDP	0.6 per cent
GDP per head of population	US$ 593 (1999)
Foreign indebtedness	US$ 62.3 billion
Oil production (barrels/day)	2.36 million (2001)
Oil reserves	122 billion barrels
Oil exports (oil-for-food-programme)	US$ 3.1 billion
Value of oil exports	US$ 38.6 billion
Iraq's import contracts	US$ 37.3 billion
Value of oil exports not made	US$ 9.3 billion
Current account balance	US$ (.031 billion

According to some estimates, Iraqi oil reserves stand at about 324 billion barrels, equivalent to some 26 per cent of world oil reserves. Expectations are that the amount of Iraqi oil pumped will increase to four million barrels per day within three years and possibly to six million barrels per day within five years, with investments amounting to between US$ 30 million and US$ 40 billion. Oil prices could plummet as a result. The cost of extracting Iraqi oil is the lowest in the world, amounting to around US$ 1 only, compared with around US$ 2.5 in the Kingdom of Saudi Arabia and US$ 10 in the United States of America.

II. Challenges facing Iraq

Iraq is now under direct occupation, which has brought the country into a state of anarchy, with its administration and security in disarray in the absence of any civilian authority with specific sovereignty to maintain order and ensure security and deal with the outside world. There is a clear breakdown of security and a state of violent anarchy that highlights the failure of the occupying administration and the conflict in its decisions. There are political conflicts of which the excessive number of political parties and newspapers are a reflection. It is not yet clear what form a governmental authority in Iraq is likely to take, or how much freedom of action it will be allowed to exercise. Nor is it clear who will be responsible for the commitments arising from Iraq's trade and economic interaction and communications with the outside world.

[4] Sources:

(a) Population, foreign indebtedness and current account balance are from the Economist Intelligence Unit report for the second quarter of 2002.

(b) Illiteracy and life expectancy rates: UNDP Human Development Report, 2002.

(c) Petroleum sales and reserves: Report of the European Commission, April 2003.

International and Arab agreement on assisting the Iraqi people in reconstructing their country and integrating swiftly into the global economic system must be emphasized. In that connection, the United Nations system is particularly important in supporting the return to sovereignty of the Iraqi people, as are the resources available to the global economic organizations and institutions, which can be used to assist the Iraqi people in their efforts to advance and develop. The support of neighbouring countries in the interest of Iraq's stability and the involvement of international and Arab funding institutions are also important.

At this stage, it is essential to reassure the business community in the Arab private sector – which is seeking to cooperate with its equal in Iraq – in regard to the establishment of a governmental authority that will be competent to administer Iraq's wealth and exports, as well as earn revenue from foreign trade operations, an authority that will be legally empowered to engage in financial transactions on behalf of Iraq, since these factors will largely affect the decisions of businessmen and investors concerning the size and scope of their business activities in Iraq.

There is no doubt that Iraq—no less than all Arab States and organizations—needs tangible Arab solidarity with its people and support for the reconstruction and future viability of their country through action aimed at alleviating the Iraqi people's suffering as a result of the dearth of the basic necessities of life, promptly reconstructing the country's production and service sectors, which have been heavily devastated, and endeavouring to conserve growth factors and improve standards of living.

III. Immediate support for Iraq

It is important to emphasize that, with the expected opening up of the Iraqi economy, UAI will work in conjunction with other Arab institutions to attract investment to Iraq, particularly since the UAI membership includes Iraqi investors. It is also important that Arab economic action for the support and reconstruction of Iraq should now focus on areas of joint interest, such as investment in the agricultural and industrial sectors, the supply of a trained workforce and cooperation in the fields of transport, communications, information technology, funding, financial services, renovation, construction and banking services.

The expectation is that the private sector will play the key role in Iraqi economic activities and that the economic role of the State will diminish. As a result, activity to rebuild the infrastructure and implement agricultural, industrial and service projects will be vast. There is fear, however, that the private sector will focus its import activities on the United States and European markets. It is therefore important to explore opportunities for trade with Arab businessmen, exporters and investors in the short term, as well as provide opportunities for active Arab investments in the Iraqi market with eligible Iraqi companies.

It is essential to strengthen the Arab presence in Iraq. It should be possible to build on the experiences of Arab government institutions which have been on the ground in Iraq before and which have a wide expert knowledge of the activities of various agricultural, industrial, social, cultural and service projects throughout Iraq in which they were previously involved.

We regard the service sector as eminently suitable for a cooperative effort aimed at supporting Iraq. Most services involve human resource training in the Arab language, inasmuch as service delivery depends on those who provide the

services in question and on human communication and mutual understanding. The Arab service sector enjoys the advantage of geographic proximity to consumers of services in Iraq, with the result that delivery costs are lower. Examples of services in which Arab investors see the potential for cooperation include the following:

- Contracting, construction and renovation: Arab contracting and building firms are capable of delivering their services at competitive cost. The ranks of UAI members include a number of enterprises operating in this area that enjoy the advantage of actually being present in Iraq itself and in the surrounding countries, such as Kuwait, Qatar, Oman and Bahrain. With their trained, skilled manpower, they are well placed to operate within the region, and they have expertise at their disposal at low cost. Furthermore, they know all about supply, assembly and management operations. Many Arab firms that produce building materials are close to the Iraqi market and in a good position to supply it. Some of them are actually present on the ground in Iraq, and hence can help with reconstruction operations immediately.

- Educational, consulting and data services: The ranks of Arab investors boast various producers in such areas as publishing, journalism, technical and literary products, sporting activities and television production. It would be quite feasible to supply Iraq with everything required for it to set up centres for exports of cultural products within the Arab world. UAI members that might be useful in that connection include the Bahjat Group, the Abu Ghazalah Technical Consultants Group, and the Arab-African Centre for Marketing, Consultancy and Services.

- Professional services: It would be perfectly feasible to supply Iraq with all the accounting, legal and medical services it might require, in view of our shared social organization, culture, language and traditions.

- Financial and banking services: The establishment of branch banks and a network of banking services is an important starting point in the fields of trade and investment.

Branch banks that are active in the Iraqi market could be used to meet Iraq's needs in this area, as well as those of Arab émigré communities there. These services could be developed in various ways.

- Communications: Communications firms could apply their technological capabilities and expertise to the task of meeting Iraq's needs.

- The importance of benefiting from the superior Arab expertise in information, education and culture.

A number of civilian organizations and bodies, both Arab and foreign, are working on the ground in Iraq. All of them are striving to alleviate the suffering of the Iraqi people and provide assistance, particularly in the fields of health and education. There is a possibility that Arab organizations, associations and unions will be become more widely involved and thus play a greater role in these humanitarian areas, which have a direct link with daily life.

It is proposed that groups of businessmen should come to Iraq under the auspices of the League of Arab States with a view to benefiting from the activity of these institutions and unions and facilitating this task through the contacts which the League has with the occupying administration. UAI is embarking on campaigns to

promote investment in Iraq in collaboration with the Iraqi investors in our membership. The private sector may also become involved, once that becomes feasible.

To that end, it is proposed that Arab businessmen and economists who are interested in discussing the matter of the Arab economy, and specifically that of Iraq, should be invited to a meeting in order to consider ways and means whereby the Arab private sector can contribute to the joint Arab effort and steer that effort in the direction of seeking to provide reinforcement for Iraq's ability to cope with its present situation and prepare for a phase of uninterrupted growth. The meeting will be held at the General Secretariat of the League of Arab States and preparations for the meeting will be coordinated in the same manner as those currently under way for the conference on development and investment in the Sudan.

IV. Priorities for action in Iraq

- To utilize capacities with a view to improving the living conditions of the Iraqi people and call on fellow Arabs and Arab States having resources at their disposal and historical relations with the Iraqi people to support them during this stage;

- To secure Arab trade and investment opportunities in collaboration with UAI by way of coordinated programmes devised and implemented under the auspices of UAI;

- To assist in the operation of public amenities, particularly roads, water, sanitation and services in the form of hospitals, educational structures, media and cultural institutions and the like, and make use of Arab scientists and experts, particularly in the sectors of oil, energy, medicine, medical supplies and so on;

- To make use of Arab expertise in the building of political institutions, a field in which Arab experience dates long back, particularly in Arab countries where parliaments and political parties, as well as professional and labour unions, have been in place for generations;

- To give priority to the various productive sectors, including petroleum, hotels, the food industries, banking services, mobile telephone services, the building materials industry, the ceramics industry, vehicles and vehicle supply industries, transport and tyre supplies. clothing and textiles, contracting and civil works, furniture, cottage industries, detergents, domestic appliances and air-conditioning;

- To maintain contacts between UAI and the Iraqi union to be formed;

- To explore the possibility of organizing exchange visits among businessmen in Iraq and their counterparts in Arab countries where the capacities for cooperation exist, as well as the possibility of forming task forces to study ways of benefiting from the variety of expertise available in the areas which are a priority during the present stage.

V. Development of Iraqi human resources in order to meet the challenges to come

Iraq needs to learn to accommodate to the systems and structures used by its partners in the outside world, and with the global economic system. Its ability to do

so successfully will depend on the availability of Iraqi personnel who understand and can use the language and tools of today's economy. There is bound to be a gap between the systems and structures currently in use in Iraq and those that have evolved elsewhere in the world and are available to other global actors.

UAI proposes to organize training courses and workshops for managerial personnel and trainees from Iraq, in collaboration with relevant Iraqi organizations and institutions. The training will cover various subjects, including:

- Integration into international trade and WTO agreements. International negotiating skills, including the application of those skills for Arab coordination in negotiations at the regional and international levels;
- Regional trade agreements and joint Arab economic agreements;
- Development of Arab trade agreements, and new areas of joint Arab action;
- Arab sectoral cooperation outside the context of trade as such and establishment of forms of cooperation and integration that are appropriate in terms of Iraq's situation, capacities and state of preparedness (examples might include industrial integration projects in the fields of engineering, textile production, food products, leather goods, software, joint scientific research and industrial development, technology and others);
- Economic reform and stimulation of development through trade liberalization.

Conclusion and general recommendations

The activities of the second meeting of the Joint Arab Action group are focused on support for the Iraqi people. In that context, UAI presents the following recommendations, which also cover needs relevant to Arab circumstances overall, the general climate of which affects both the Arab and the Iraqi situations:

1. A number of Arab countries should allocate a budget for support and assistance to Iraq, to be spent on Iraq's current immediate needs, especially in the fields of medicine, education, documentation services and food subsidy. Small budgets are required for the delivery of important services through the private sector in areas such as medicine, medical supplies, education and training, as well as social services for mothers and children in particular;

2. A list of projects which the Arab private sector can help to establish, particularly in the food, agricultural, industrial and service sectors, should be issued. Arab investors should adopt a philosophy based on contributing to projects in Iraq, using methods that go beyond the high-cost methods which may be pursued by manufacturers in Europe and the United States and which may not respond to the actual needs of Iraq and the nature of its people;

3. Cooperation among selected Arab States should be encouraged, on the basis of their actual desires and capacities, to take action aimed at securing contracts which involve their institutions in planning the reconstruction of Iraq and in imports, particularly of food. The Hashemite Kingdom of Jordan, Kuwait and the Kingdom of Saudi Arabia are regarded as the main partner candidates for such alliances by virtue of their immediate geographic proximity to Iraq and the fact that they are the major points for land crossings to Iraq;

4. The economic and development policies of Arab States should be thoroughly examined in order to synchronize with trends in Iraq in the immediate future, particularly in the industrial field, so that they are taken into account by those Arab States which are willing and able, in coordination with Iraq;

5. The Iraqi authorities should emphasize the continuing implementation of Arab communal and bilateral trade liberalization agreements linking Iraq with its fellow Arab States, this being a main incentive for joint Arab action with our fellow Iraq;

6. Intensive contacts among Iraqi civil-society institutions and their counterparts in Arab States should be encouraged as a vital means of communication among Arab peoples and the people of Iraq in the interest of distinctly serving joint Arab-Iraqi interests;

7. UAI believes that it is important not to overlook other aspects of Arab cooperation and support for the Iraqi people. By this, we mean the social, cultural and educational aspects, including Arab school textbooks which encompass the common Arab view, foster solidarity and economic cooperation, promote moderation and develop initiative and the morality of virtue, thus greatly benefiting Arab relations and the future of the Arab system.

Accept, Sir, the assurances of my highest consideration.

Muhammad Jamal Al-Din **Al-Bayumi**
Secretary-General
Ambassador

Appendix 1

Summary of the paper presented by the Export Development Bank of Egypt AIU member

Some of the areas in which a number of Arab countries, including Egypt, enjoy relative natural advantages and which consequently constitute areas for fruitful and constructive cooperation between them and Iraq are listed below:

1. Financial and banking services

Advantage can be taken of the great interest shown by many Egyptian and Arab banks in developing performance and providing new services based on modern mechanization, sophisticated technologies and the adoption of policies and strategies from which Iraqi banks can benefit by carrying out banking arrangements that facilitate the movement of trade and the settlement of transactions. Both sides should also be encouraged to set up bank branches in order to serve the reconstruction plan and promote inter-trade.

2. Workforce services

Egypt enjoys the advantage of having the trained workforces needed by neighbouring countries, including Iraq. During the 1970s and 1980s, Egypt was the primary source for the export of human resources to the Arab region. Egypt is well placed to step up its contribution to this sector and to organize contractual

arrangements and agreements with Iraq for systematic protection of the rights of both parties.

3. Construction and contracting services

The available services, which comprise a substantial number of those which are commonly used, include such building and contracting services as design, engineering consultancy, project management, training and so on. Such types of services will undoubtedly be followed by the export of supervised goods, such as building materials, sanitary appliances, ceramics, furniture and furnishings, etc.

4. Non-commercial professional services

These include legal and accountancy services, financial and economic consultancy, concession rights, advertising, exhibition work, medical and therapeutic services, mediation services and brokerage.

Cooperation in the above fields will unquestionably enable Iraq to benefit from Egypt's relative advantages and its cheap labour force which is skilled in building and reconstruction work.

Appendix 2

Summary of the paper presented by Al-Sharq Insurance AUI member

I. The unavoidable need to stimulate an increase in the volume of inter-Arab trade and the potential for strengthening such trade in the light of new international and regional developments

It is clearly essential to stimulate an increase in the volume of inter-Arab trade, which has fallen to only 10 per cent of the total volume of trade in Arab countries, thus reflecting the weakness of Arab economic cooperation. Rapid growth in the volume of inter-Arab trade is imperative if we are to cope with the developments and changes currently taking place worldwide.

The fear is that a continuing fall in the volume of inter-Arab trade will affect the stimulation of investment in the export ventures of the Arab market. Set forth below are some of the criteria that we regard as vital to strengthening and stimulating the volume of Arab trade and Arab economic relations in general. These criteria can be summarized as follows:

1. The phases of GAFTA should be completed in order to keep pace with the global trend towards establishing regional groupings. The products of the countries in the different groupings should be exempt from duties and restrictions, and customs and non-customs barriers should be removed. Exceptions should be limited, as should any slowdown in implementing the phases and any requests to delay them. Efforts should also be made to improve the quality of Arab products in order to increase the volume of inter-Arab trade. The establishment of an Arab free trade area is the basis for regional integration, which holds new opportunities for Arab exports;

2. The right climate for stimulating Arab investments should be created by promoting such investments and by mutually supporting Arab investment activities and inter-trade activities;

3. Arab trade services (such as finance, marketing, insurance and transport) should be developed.

II. Support of Arab insurance institutions for trade and investments between Arab States and Iraq

Insurance and the risks of foreign trade: Flows of goods and capital services (foreign trade) are susceptible to economic and non-economic risks. These risks lessen the merit of economic decisions relating to the production, transport and receipt of such flows of goods. Consequently, although exports, imports and international investments need guarantee, finance and credit programmes, they have an even greater need for effective insurance programmes, particularly in the face of political risks, which are currently growing and which impede the movement of those flows, creating repercussions on the status of the balance of payments in the States which are party to such movement.

Growth in exports is one of the major aims which economic policy strives to achieve, particularly in Arab countries, because these exports are an essential source of funding for development programmes and provide coverage for import burdens, particularly imports of investment goods, and for the settlement of domestic debts, foreign debts and other burdens, as well as for improvement of the exchange rate of the national currency.

Measures which may be employed to develop imports include incentive programmes, easy monetary and credit policies, and policies to encourage overall domestic savings in order to ensure that more credit and funding is channelled into investment in production and export. Such programmes and policies, however, are without maximum effect unless insurance programmes are in place to counter the multiple risk to these exports. Insurance plays an important role in the economic development process by:

1. Accumulating savings, driving economic development forward, facilitating trade and credit and preserving the national wealth. Like most countries, the Arab States have moved in the direction of enacting insurance laws in order to produce higher safeguards for insured parties and channel the investments of insurance companies in order to benefit the Arab economy in general. The right conditions must therefore be provided to improve the effectiveness of the Arab insurance sector with the aim of further enhancing its ability to mobilize savings and consequently finance Arab trade and investment and development projects, thus promoting economic ties and achieving well-being and prosperity for the Arab States;

2. Encouraging the establishment of joint economic projects. Insurance offers immediate protection, as necessary, against losses that may result if any of the many risks faced by individuals and projects, particularly in matters of trade and investment, should materialize;

3. Boosting productive capacity by creating feelings of safety and reassurance about the future and removing risks, which will be reflected in an increase in productive capacity in general and in the volume of inter-Arab trade and investment in particular.

Compared with other global markets, the amount of interchange among Arab markets in the insurance field is remarkably modest. In order to create a climate

conducive to improving the Arab insurance business in general and supporting the reconstruction in Iraq in particular, care should be taken to observe the following, especially as far as the current situation in Iraq is concerned:

1. To have strong insurance units with financial and technical resources and enough absorptive capacity to shoulder the risks assumed;

2. To increase retention in the Arab region by offering the surplus from the retention of any Arab market to other Arab insurance markets – thus depleting the capacity for absorption – before opting to commit such surplus to foreign markets outside the Arab region;

3. To remove restrictions to remittances of reinsurance instalments in Arab States which still impose such restrictions;

4. To form a large Arab reinsurance company in which Arab States have a share, along the lines of the African Reinsurance Company formed by African States;

5. To adopt the draft of a unified Arab law or a general framework that guarantees coordination and a measure of sound monitoring of insurance company business so that those dealing with such companies have full confidence and the necessary protection;

6. To counter the reluctance of companies to insure against the various degrees and types of risk existing from one country to another, meaning that international norms and standards must be applied to Arab exports in order to make them insurable. The promotion of export insurance will make it easier for exporters to obtain from financial institutions the finance needed for export operations, which will ultimately increase the volume of Arab exports and thus increase investments, leading to good economic growth in Arab countries.

III. Importance of establishing large Arab holding companies to further the creation of a production base (for goods and services)

Arab financial institutions which are capable of increasing the amount of inter-Arab trade and achieving an effective growth in inter-Arab investments will share in the capital of such companies, which will be established under the auspices of the League of Arab States (AUI). Branches will also be established in capitals of the Arab world which have relative importance as far as certain elements of trade and investment are concerned.

Appendix 3

Summary of proposals
Arab Contractors
AUI member
Support for our fellow Iraqi people

Affirming the importance of solidarity with the Iraqi people and of helping to alleviate their suffering as a result of the dearth of the basic necessities of life;

Articulating our full belief in the importance of AUI participation through its members and through Arab institutions and personalities as a pan-Arab duty, and

given the belief of the Arab Contractors Company in the imperative and irrevocable need to contribute to the fulfilment of this Arab and humanitarian duty,

We have the honour to present our views concerning the contributions which Arab Contractors can make to that duty by virtue of its position as a major company operating in the contracting, construction and renovation sector in the Arab and Middle East region and its long technical and practical experience in different areas of this industry and in related activities. Its experience is also historical; for many years, it has worked in most Arab States, in addition to which it has had a representative in Iraq since September 2003. It has accumulated experience from its presence on the ground and from dealing with a variety of Arab requirements, backgrounds and cultures.

Our views are summarized in two main lines of action:

1. The immediate line of action:

This entails the provision that can be offered as soon as circumstances in Iraq permit and Arab Contractors are invited to act, and includes the following activities:

1.1 Engineering consultancy and technical assistance through our managerial resources, comprising the following:

1.1.1 Examining and assessing the condition and viability of existing buildings and facilities (damaged and otherwise), suggesting such technical testing as they require, providing remedies and undertaking the necessary repairs;

1.1.2 Examining and assessing the condition and viability of existing roads and bridges (damaged and otherwise), suggesting and determining such technical testing as they require, providing remedies and undertaking the necessary repairs;

1.1.3 Examining and assessing the condition of facilities belonging to water supply and sanitation plants and networks;

1.1.4 Assisting in the preparation of urgent architectural or construction designs, in particular for buildings and facilities which are promptly needed, for such typical facilities as schools and governmental health care units, or for facilities relating to transport or communications, such as stations, workshops and related services, as well as any other facilities normally in frequent use on which work needs to be quickly completed;

1.1.5 Assisting in the preparation of specifications and standards for all architectural and construction work on the buildings and facilities already mentioned, as well as assisting with training of the managerial personnel needed in all areas of work;

1.1.6 Assisting in the management of construction projects and proposing the best available means of implementation.

1.2 In the fields of training and improvement of the skills and capabilities of the human resources employed in the construction industry, a contribution can be made by way of two basic training packages designed to enhance the competence and knowledge of our fellow Iraqis who work in the industry.

1.2.1 The first training package comprises the following programmes:

- Methods of examining and assessing the condition and viability of facilities;

- Ways and means of renovating and maintaining facilities;

- Preparation of specifications and standards for renovation and repair;

- Concrete and testing of concrete;

- Water supply and sanitation plants and networks;

- Soil and foundations;

- Buildings and refurbishments;

- Electrical and mechanical work;

- Sanitation.

The above is provided for various engineering and technical levels, depending on the requirements at each level (engineers, supervisors, technicians).

1.2.2 The second training package comprises the following programmes:

- Management of construction contracts;

- Management of construction projects;

- Settlement of disputes in the construction industry;

- Environmental and occupational health and safety requirements in the construction industry;

- Negotiating, communication and behavioural skills.

2. The future line of action:

This entails the provision which can be offered in the long term, when work opportunities are available to Arab companies and institutions, when the situation in Iraq has stabilized and when there is a clear idea of which agencies and authorities are legally empowered, responsible for economic and financial dealings and able to fulfil contractual commitments with third parties, taking into account the need to ensure that the domestic regime is relatively stable and also the security situation.

This line of action primarily consists of the following activities:

2.1.1 Delivery of immediate services for the renovation and repair of buildings and facilities;

2.1.2 Delivery of immediate services for the repair of roads and bridges;

2.1.3 Delivery of immediate services for the renovation and repair of facilities belonging to water supply and sanitation plants and networks;

2.1.4 Implementation and construction of typical premises for such essential services as education, health and housing;

2.1.5 Implementation of road works and construction of various types of bridges;

2.1.6 Implementation of integrated facilities and amenities belonging to water supply and sanitation plants and networks;

2.1.7 Implementation of all facilities, amenities and roads belonging to electrical power plants;

2.1.8 Design and implementation of all general types of buildings, including buildings in the service, health and tourism sectors, as well as ports and airports;

2.2 Auxiliary yards and workshops in the construction industry:

2.2.1 Participation in the construction of pre-cast concrete yards and annexes;

2.2.2 Participation in the construction of asphalt yards and annexes;

2.2.3 Participation in the construction of incinerators and waste-management plants;

2.2.4 Participation in the construction of mechanical workshops for the maintenance and repair of equipment damaged during the war.

2.3 Imports and manufactured goods:

As the Arab Contractors Company has a variety of resources at its disposal through its own workshops and plants or those of its subsidiaries, it can assist in the import and manufacture of components or accessories for the construction industry, including but not limited to:

2.3.1 Essential manufactured iron and metal goods and accessories for the construction industry;

2.3.2 Typical timber products and manufactured timber goods (such as fittings for school classrooms, student housing, government housing and the like);

2.4 Management of organizations, firms and companies working in the construction industry:

2.4.1 Assistance with the establishment of information centres and the provision of technical support for such centres.

2.5 Evaluation and development of management systems.

15. AMF

Office of the Director-General
No.: 2284-1358/07
15 December 2003

His Excellency Amre Moussa
Secretary-General
League of Arab States
P.O. Box 11642
Cairo
Arab Republic of Egypt
Fax No.: 5743023

Sir,

Re.: Extraordinary meeting of the Higher Coordination Committee, Jordan, 6 January 2004

We refer to your invitation of 6 November 2003 for us to participate in an extraordinary meeting of the Higher Coordination Committee for Joint Arab Action,

to be held in Jordan on 5 and 6 January 2004, in order to explore possible ways in which Arab organizations can assist in providing support to the Iraqi people in response to the proposals and priorities for the rehabilitation and renovation of Iraq's essential institutions and sectors. The Fund looks forward to supporting your efforts and assisting possible ways of lending support to the Iraqi people once the Iraqi Governing Council has declared a clear position which can serve as a basis for bringing specific proposals in that regard to fruition. It is our hope that this will come to pass at the next meeting of the Council in April 2004.

I am pleased to transmit herewith a copy of the Fund's intervention at the Madrid Donors Conference on 24 October 2003, which sets forth the general framework of the areas in which the Fund is able to contribute and cooperate at this stage.

We wish every success for your meeting.

Accept, Sir, the assurances of my highest consideration.

(Signed) Dr. Jasim **Al-Manna'i**
Director-General
Chairman of the Board of Directors

International Donors Conference for the Reconstruction of Iraq
Madrid, 24 October 2003

Statement by the Director-General and Chairman of the Board of the Arab Monetary Fund

Mr. Chairman,

Distinguished delegates,

I am very pleased to attend this International Donors Conference for the Reconstruction of Iraq. My sincere thanks to the authorities of Spain for hosting this important event and to the United Nations, the World Bank and other organizations that have worked diligently and under very difficult and demanding circumstances to deliver the recent Joint Iraq Needs Assessment.

Mr. Chairman,

The Arab Monetary Fund (AMF) attaches particular importance to the developments in Iraq, a founding member of AMF with whom it has always maintained a close relationship. Though Iraq's membership has been suspended since 1992 by decision of the Board of Governors due to accumulation of arrears, Iraq has continued to benefit from the programmes of the Economic Policy Institute which provided for the training of some 120 Iraqi Government employees.

AMF is very keen to resume its lending activity to Iraq. However, potential lending is subject to several operational procedures mandated by the AMF Board of Governors, including reaching satisfactory arrangements to address the significant stock of debts in arrears.

But even before comprehensive re-engagement is reached, AMT stands ready to support and complement the efforts to develop the economic and institutional

framework, particularly the financial sector. To this end, it could consider extending technical assistance in connection with:

- Financial sector reform;

- Banking supervision;

- Payment systems; and

- Association with WTO.

AMF could also consider developing and delivering training programmes aimed at capacity-building and upgrading skills in banking, macroeconomics and public sector policies. AMF has already formulated with the International Monetary Fund a course for some 30 Iraqi officials which is planned for March 2004.

In due course and beyond the financial support that AMF could provide directly, Iraq could avail itself of additional financial resources through credit facilities provided by the Arab Trade Financing Programme, an institution founded by AMF to promote Arab trade. That would support and complement the action under way to establish a trade bank in Iraq to provide financing for exports and imports.

Thank you, Mr. Chairman.